

2019 STATE OF CITY SPEECH
COMMITMENT TO COMMUNITY

INTRODUCTION AND THANKS

- Good afternoon and thank you all for coming here today.
- We have a custom, all of us here today, to gather each year to hear about all that we've accomplished in the past year and to lay the groundwork for what we hope to tackle in the year ahead.
- I've had the enormous privilege of standing here with you to deliver the State of the City for seven years now.
- As many of you know, this is my last term as Mayor, and there's still a lot I hope to accomplish before we pass the torch to my successor.
- And before we get started, I'd like to take a minute and thank each and every one of you for taking this journey and joining in this custom.
- I'd like to thank Steve for the kind introduction, as well as

the Chamber and all those who have helped to sponsor this annual event.

- I'd also like to introduce our City Council and other guests who are equally committed to improving our community—and maybe we can hold our applause until after I introduce them all.
- Vice Mayor Karla Brown
- Councilmember Kathy Narum
- Councilmember Jerry Pentin
- And Councilmember Julie Testa, the latest addition to the Pleasanton City Council who is sitting in the seat recently vacated by outgoing councilmember Arne Olson.
- I'd also like to acknowledge our City commissioners and task force members who give their time and talent to making this City so wonderful.
- Now, everyone knows that local councils are non-partisan, but that doesn't mean we don't recognize our partisan partners at the State level, and we have been very

fortunate to enjoy the overwhelming bipartisan support of Senator Steve Glazer and outgoing Assemblymember Catharine Baker. These two legislators, from different parties, truly represented how we work best when we work together in genuine partnership, and I look forward to building that same strength on behalf of Pleasanton with our newly-elected Assemblymember Rebecca Bauer-Kahn.

- On that note, from Senator Glazer's office Judy Lloyd is here, as is Iris Obregon with Assemblymember Rebecca Bauer-Kahan's office.
- In addition to enjoying a close partnership with our State representatives, we also continue to set the bar for how a city and a school district can work together, and I'd like to acknowledge and welcome Dr. David Haglund and members of his team—Edward Diolazo, Julio Hernandez and Patrick Gannon, as well as our school board members: Board President Valerie Arkin, Vice President

Steve Maher, along with Trustees Joan Laursen, Jamie Hintzke and Mark Miller.

- Welcome and thank you for coming.
- You know, the secret's out that many families move here because of our exceptional schools, and last year didn't disappoint.
- Not ONE but THREE elementary schools—Fairlands, Hearst and Lydiksen—received the designation as a California Distinguished School by the state Department of Education.
- And finally—our own City staff — from our Chief of Police, Dave Spiller to our Fire Chief, Ruben Torres — your work is never done and your sun never sets, and I'm constantly grateful for your selflessness and service to our community and beyond its borders.
- Recently, we had an off duty police officer save an elderly man from choking to death in a local restaurant

one evening and our firefighters have been called out to the far corners of our State to assist with the many fires we've recently endured.

- Last, but never least, I want to recognize the man who works day in and day out to make it all happen. We know being a city manager is hard work so I'd like to acknowledge our tireless City Manager, Nelson Fialho, who has been leading this City for 15 years, along with the entire executive team.
- Let's give them all a hand for their commitment to this community.

OUR CUSTOM IS OUR COMMITMENT TO OUR COMMUNITY

- I mentioned our custom of gathering each year to celebrate our great city's accomplishments.
- We have an even bigger custom to celebrate, and that's our commitment to our community.
- Our custom in Pleasanton is to be committed to the

health, careful planning and retention of our traditions of our community.

- The customs and traditions we observe defines us—as individuals and as a community.
- **Our** custom is our commitment to our community—and to one another.
- We know the world is constantly changing, and change comes quick or slow.
- We seem to be in a period of great change, and even though sometimes the change is for the good, I know for me, I find myself wishing things would slow down—just a little.
- And as a community, we've seen our fair share of changes recently.
- But we are a resilient bunch and during these times of change, we all inevitably look to the touchstones that tether us and give us a sense of place and purpose.
- We turn to our faith, our friends, our homes, and our

communities.

- And to our defining custom—our commitment to our community.
- You all know that every year for the past six years, all of us mayors travel to our nation’s Capitol for the U.S. Conference of Mayors, and every year I come back with this feeling that “there’s no place like home,” and I love Pleasanton all the more for having left it even temporarily.
- Because I see it like new all over again—the Main Street we all love and fight hard to preserve, the holiday tree lighting ceremony, the parades, concerts in the park, the Saturday farmer’s markets—all of it is what we love and why this is our home—and it’s the reason we’re all here today; it’s the reason we show up every first and third Tuesday at the Council meetings or volunteer for a commission or a committee.
- So, as some things change, we also maintain our

custom—to serve our community and remain committed to keeping Pleasanton uniquely our own.

2018 ACCOMPLISHMENTS

ECONOMY/ECONOMIC DEVELOPMENT

- You know, we talk a lot about the time and talent of the people who maintain our custom and who drive our community and the commitments made on behalf of this great community.
- But without a healthy economy, we wouldn't be having conversations about a new park here or expanded services there.
- We wouldn't have been able to move forward with plans to purchase the land next to **Lions Wayside Park** for our future use;
- We wouldn't have been able to celebrate the 10th anniversary of the **Alviso Adobe Community Park** or the grand opening of **Harding Park**;

- We wouldn't have been able to celebrate the grand opening of the first phase of our premier affordable housing for seniors and break ground on the second phase of **Kottinger Gardens**;
- Nor would we have been able to celebrate the 25th anniversary of the **Pleasanton Senior Center**.
- We wouldn't have been able to add more tennis courts to our **Tennis and Community Park** or renovate our locker rooms at our state-of-the-art **Dolores Bengtson Aquatic Center**.
- We wouldn't have been able to transition many of our commercial water customers to our recycled water network which in 2018 saved more than **400 million gallons** of potable water.
- We wouldn't have been able to initiate a new program that increased our library card holders by **99 percent** nor would we have been able to accommodate the half-a-million

visitors who borrowed more than a million items from our library last year alone;

- We wouldn't have been able to complete the **Community Farm Master Plan** with an innovative eye for a future community garden and learning opportunities for our would-be green thumbs;
- We wouldn't have been able to do any of these things without a strong economy.
- Well, I'm pleased to report that our economy is strong, and so we are able to celebrate all of these things as we look forward to more.
- Most of you already know that 72 percent of our revenue comes from property and sales taxes.
- And last year, due to a steady increase in property values, and additional residential and commercial developments, the City saw over **\$65 million** in revenues from property

taxes—that's **\$26 million** more than we realized during the lowest point of the recession in 2011 and 2012.

- In 2018, the City's General Fund expenditures were up, but so were our revenues.
- Operating expenditures hovered around **\$107 million**, and operating revenues came in at just shy of **\$121 million**.
- Just as you all work to balance your family's finances, so too do we for the City.
- Not only is our budget balanced, we've also been able to set aside more money in our rainy day fund.

UNFUNDED PENSION LIABILITY

- Because we take our financial obligations seriously (sometimes more so than the State it seems), we took a very important step last year by creating a special pension trust fund to help prefund our pension-related obligations.
- Not only have we allocated more than **\$25 million** directly to CalPERS over the past few years to prefund pension

obligations, last year we also invested **\$28 million** in our new Section 115 Pension Trust Fund which was accompanied by a policy that keeps it off-limits for at least 10 years.

DEVELOPMENT IMPACT FEES

- Another significant undertaking last year was finalizing the update our development impact fees, which were last updated in 1998.
- Because development impact fee revenues make up a significant portion of the funding that supports projects that improve our quality of life—such as bicycle and pedestrian improvements and park enhancements—it was important to us to bring these fees into alignment with other cities in our region.
- But we need both VISION and VIGILANCE when it comes our finances, and we need to continue our work to shore up our slowing sales tax increases, which we see happening in cities up and down the State.

SALES TAX, UNEMPLOYMENT AND OFFICE VACANCY

- Due to increases in regional shopping competition and that 800-lb. gorilla in the room—AMAZON and its online shopping—keep in mind that our sales taxes are an important revenue source for us and we want to continue to have a strong local sales tax base.
- With retail vacancy rates around 10 percent, we have some room and flexibility to create new and exciting retail opportunities to help us flourish.
- We are home to more than 62,000 employees and 22 million square feet of commercial, office and industrial space, give or take.
- We were recently declared to be the sixth best City in California for job seekers, and our numbers prove it to be true.
- Our employment rates are just under **3 percent** and our office vacancy rates remain under **10 percent**.

- And if you compare those numbers to 2011, when unemployment was close to **9 percent** and the office vacancy rates skyrocketed to more than **18 percent**, you can appreciate how quickly we recovered from the Great Recession.
- So, all in all, our vision and vigilance is paying off and the State of the City is SOUND.

LIFE SCIENCES INDUSTRY

- When I stood on this very same stage last year, I promised that I was going to meet with the leaders of many of our life sciences firms and begin a conversation about how we can partner with them and help grow the game-changing and lifesaving biotech and medical device industry right here in our own backyard.
- And I'm pleased to report that our conversation gave us a number of concrete ideas we are pursuing to promote Pleasanton as a hub for cutting-edge life sciences

companies and creating opportunities to grow and attract the necessary talent.

DOWNTOWN SPECIFIC PLAN

- We've also been working hard on planning for the next phase of what we want our downtown to look like through our Downtown Specific Plan, which was first adopted in 1989 and updated in 2002.
- Because we all need policies and plans that reflect our current community, we knew we needed to refresh our Downtown Specific Plan once again, and initiated that process in late 2016.
- After extensive work since then by our community members who served on the Downtown Specific Plan Task Force, we now have a DRAFT Downtown Specific Plan Update that is out for more public review and comments, and if you haven't seen it yet, you can go to www.ptowntown.org and take a look at it and give us

your feedback.

- Some key highlights include two new land use designations to help create a more dynamic downtown; a greater emphasis on retail-oriented ground floor uses; development of a concept plan for a new civic center area; and a range of streetscape enhancements in the heart of downtown.

JOHNSON DRIVE ECONOMIC DEVELOPMENT ZONE

- In addition to creating a thriving atmosphere downtown, we've also been working on spurring investments in other areas of town, and last year, we made the decision to conduct even more environmental review on the **Johnson Drive Economic Development Zone** to assuage concerns and keep this project on track, which if approved again, will bring us two new hotels and a Costco.

OTHER PLANNING PROJECTS

- We celebrated the grand opening of **Pacific Pearl**, a new shopping center on the east side of town that is expanding our dining out opportunities and providing some of the best Dim Sum I know I've ever had.
- We also completed our work in conjunction with the new Workday building near the **Stoneridge Shopping Center** and partnered with BART on a brand new joint police service center.
- And speaking of the Stoneridge Shopping Center, we have received a long-awaited application from the property owner – Simon – to initiate redevelopment plans for the mall.
- The concept includes additional retail, dining and entertainment uses in and around the current Sears location – and yes, even a small movie theater is being considered.
- We anticipate this is the first phase of future investment

at Stoneridge, as Simon works with Workday and other neighbors, to create a vibrant and integrated commercial area.

HOUSING AND HOMELESSNESS

- And everyone here is well aware of the housing crisis we are facing, which is happening not only in Pleasanton, but throughout the entire state of California—though the crisis is particularly acute in the Bay Area.
- We were successful last year in killing a bill that would have taken away our ability to make housing decisions at the local level, but the issue is not going away.
- Governor Newsom said recently that the State was no longer going to “play small ball” with regard to housing, and if we are to have any influence and local control over our own housing decisions, neither can we.
- In his first budget proposal, the governor’s got a carrot and stick offer—the carrot is \$2 billion in one-time and

ongoing affordable housing funding and the stick is taking away transportation funding, including any revenues generated by the recently-enacted gas tax, from cities that fail to meet their housing goals.

- Now, we can zone for housing, but we can't compel a developer to come here and build houses.
- But the governor appears to be making housing one of his priorities, and we can think of this as an opportunity or an obstacle—but whatever we think, we need to be more vigilant than ever in our planning processes going forward, and we have to be willing to get creative to find solutions that make sense for us before somebody else comes in and makes the decision for us.
- Now you can't talk about housing without talking about homelessness, and I know we have been pretty well insulated in our community and haven't seen an increase in people who are experiencing homelessness the way

other communities have—but it is happening even here in Pleasanton, and we are doing something about it.

- Last year, the City expanded its work with CityServe of the Tri-Valley collaborating with Alameda County and the Cities of Dublin and Livermore to fund homeless outreach and crisis intervention specialists.
- And our police department has trained several officers to go out and work specifically with those who are experiencing homelessness in our community.
- As a part of this collaboration, the Tri-Valley received more than **a million dollars** to bolster our efforts because we need to work together and from a place of compassion to address this vexing challenge.
- And I can share with you that we had lots of staff go above and beyond their job descriptions recently when they signed up to go out during the early hours of the morning last month and participate in the Point in Time

homeless count to more accurately assess what the potential need is here in our own backyard.

- And later this spring, I know the Council will be getting its first look at a strategic framework to help us address the issue going forward.

TRANSPORTATION, INFRASTRUCTURE AND WATER

- One of the final pieces to running a full service City is all the transportation and infrastructure work that we do, and I know I've taken up enough of your time already, and if you'll indulge me for just a minute more, I'll briefly touch on just some of the work we're doing along those lines.
- We're actively participating in the Valley Link Rail partnership to extend the BART system beyond Livermore to the San Joaquin Valley;
- And because we know we need to expand all modes of alternative transportation, we're continuing our work on implementing the Bicycle and Pedestrian Master Plan, which calls for improvements along West Las Positas

Boulevard as the next network segment to be implemented.

- And to increase our efficiency across all modes of transit and transportation, we're planning for and installing updated traffic signal technology.
- And finally, on the multi-agency project of State Route 84, along which there are two separate projects underway, I can tell you that we're getting very close to the finish line.
- We are all eagerly awaiting the day when we get two more lanes in each direction instead the one that currently runs from Concannon Boulevard to Ruby Hill Drive.
- Now, Alameda County Transportation Commission is the project manager, and all signs point to the project being done sometime later this fall.
- And from Pigeon Pass to I-680, we know the environmental review is complete, and that CalTrans adopted it late last summer, so the preliminary engineering and design work has started.
- But the design process and right of way acquisition will take

approximately two years with construction to follow in 2021.

- The construction of the part from Pigeon Pass to I-680 will be the final segment in a series of improvements to widen State Route 84 to expressway standards from I-580 in Livermore to I-680 in Sunol.
- This is one of those massive transportation and infrastructure projects that began close to twenty years ago, and I know we've all been waiting for a very long time for this project to be complete, but we're very close, and I think the wait will have been worth it since we expect these improvements to have a significant impact on our local streets by allowing such a shift of regional traffic flows to places other than our city streets.

CONCLUSION

- We are truly blessed to be able to call Pleasanton home.
- But we are even more blessed because of all of you and what each of you does to make and keep this community great.

- Together we've seen a lot of changes to our community, but we've also been able to hold fast to that which we cherish the most.
- I'm so very proud to be your Mayor and to celebrate all that we've accomplished together.
- And as we enter 2019, we do so with optimism and our custom of commitment—to one another and our community.
- I want to thank you all for coming here today to celebrate the past and help us plan for the future.
- God bless Pleasanton, our nation, and our troops who defend our way of life all over the world. Thank you!