

## 2022 STATE OF THE CITY SPEECH

### TOGETHER CREATING OUR COMMUNITY

#### INTRODUCTION AND THANKS

- Good afternoon, everyone. I am pleased to welcome you to Pleasanton's Annual State of the City address!
- Please join me in showing appreciation to the Pleasanton Chamber of Commerce for hosting today's presentation, and TV30 for doing our video recording so the entire community has an opportunity to learn about the issues that are important to our city.
- This is my first in person State of the City presentation, and it is a wonderful to see your smiling faces as we gather together today.
- As I begin, I would like to introduce my colleagues on the City Council: Vice Mayor Valerie Arkin, and Councilmembers Jack Balch, Kathy Narum, and Julie Testa.
- We are all fully committed to keeping Pleasanton the premier city we love and treasure. This requires a lot of time, energy, and dedication – but as you'll hear, the result is absolutely worth it. To my colleagues, please accept my sincere appreciation for all your hard work, time, and dedication.
- I also want to acknowledge the work it takes to keep Pleasanton operating so smoothly. We rely on them every day to carry out our policies and directions, and they skillfully make it all happen. Thank

you, Interim City Manager Brian Dolan, Interim Assistant City Manager Pamela Ott, City Attorney Dan Sodergren, our Pleasanton Police Chief Swing, and Interim Fire Chief Lacey, PLUS their department staff. Working together with each of you has been a pleasure as you continue to demonstrate superior public service.

- Please take a minute to peruse our City's annual report (on your table). As shown, that it takes all of us working together in big and small ways to create an award-winning community.
- This is more than a place where we live (although that's incredibly important), but a community of people who care about creating opportunities so that each of our businesses and our nearly 80,000 residents have what they need to proudly call Pleasanton their home.
- I shared with you last year that as mayor I had the privilege of witnessing the entire Pleasanton community come together in response to COVID. That sentiment remains as true today as it was then.

### **BUSINESS SURVEY**

- We know that COVID had an incredible impact on our business community. The City recently conducted a business needs survey to understand how our local companies are faring.

- While we prepare the final report for publication, I'm going to give you an early report out on a few key points:
- 92 percent of businesses with 50 or less employees – which is the great majority of our commercial community – rated Pleasanton as an excellent or good place to do business.
- Of those businesses that rated the city as excellent, the top response was that they see Pleasanton as business-friendly, followed by well-kept and safe, and ideal location, and offered abundant open space.
- They also noted support from government and the residential community.
- And, as a sign of returning confidence, 41 percent of the respondents believe they will have more revenue in next two years.
- I'm proud that coming out of a pandemic, our businesses have confidence that in working together we're making Pleasanton a great place for business.
- Together we created a resilient community as we responded to COVID and offered support for vital programs such as:
  - Our regional vaccination site at the Fairgrounds
  - And our collaboration with the school district for students, and their families at our Senior Center, which resulted in tens of thousands of vaccinations.

- In terms of our support for our most vulnerable residents, last year alone, the Pleasanton Senior Lunch Program run, by Open Heart Kitchen, served an incredible 42,000 meals to seniors, while also operating the regional food distribution site that supported thousands of residents with food insecurity.
- The City's Business Support Fund provided nearly \$1.5 million dollars in City loans and matching Alameda County grants
- And, for a second year, the City fully funded the total Housing PLUS Human Services and Community grant requests, of nearly \$1.5 million dollars.
- I am extremely proud of our support for local non-profits, many providing in person support to our residents. You are the best.
- Together, we have gotten through the thick of the crisis shoulder-to-shoulder, and I'm pleased to say we're finally moving toward the endemic stage of this world-wide virus. After two long years, I see a much brighter future ahead.

### **WORK PLAN, ALL-ABILITIES PLAYGROUND, SKATEPARK**

- Together along with city staff, we have made measurable and meaningful progress on priorities documented in the City Council's Work Plan. These are projects that reflect the interests of our community.
- We are busy working to ensure Pleasanton is an inclusive community with our changing demographics. It is our responsibility

to ensure every resident is heard, and every resident knows they are an integral part of our community.

- One of these goals is our newly planned All-Abilities playground at the Ken Mercer Sports Park. This innovative, colorful, fun, and creatively designed play structure will offer a play experience for a wide variety of abilities and skill levels. The structure will accommodate children, adults, and seniors in a universally designed, sensory-rich environment.
- Also designed is an expanded skatepark to be located at the Sports Park. The new skate park can be used for all-wheel users such as wheelchairs, bikes, roller skates and skateboards. This site will offer intermediate and advanced features, while leaving the current beginner level site in place, while we build around it. We learned skate parks are extremely popular for youth and adults from our 2014 Parks and Recreation Master plan, which identified a significant shortage of skate parks in Pleasanton. The new park will add pathways, furnishings, down-cast lighting, picnic areas, shade structures, and more.
- Funding is critical for both amenities before we can begin construction, but I am truly looking forward to watching everyone enjoy these new features.
- Demand is growing for residents that want a cricket field, also called a cricket pitch. Similarly, many of my friends have switched

from tennis to pickleball for exercise. With a shortage of pickleball courts, we are looking for sites across town to accommodate this rapidly growing sport.

- Hopefully by now you are familiar with the term Diversity, Equity, and Inclusion. Together we are working on a strategic plan to identify gaps in city services that establish benchmarks, policies, and systems to lift all populations in the community.
- Pleasanton's Library and Recreation is taking a lead, offering a diverse list of activities within our activity guide, so that all residents see themselves as welcomed participants.
- In fact, this past year we had the highest level of registration in the programs offered through our guide.

## HOUSING

- Open a newspaper and you will probably read an article about housing. Similar to other communities, many individuals and families face enormous challenges purchasing or renting a home in Pleasanton. Over the past few years, we have seen housing costs and the cost-of-living rise at an alarming rate.
- Over the past several months, the Council has been undertaking necessary steps to update the City's Housing Element. While this is required by the State law, we want you to be a part of the process. Together we are engaging our landowners, builders, and the public, with meetings and discussions on how best to address

the range of housing needs across all income levels, spread throughout Pleasanton.

- The City's Regional Housing Needs Allocation (RHNA) is almost 6,000 units for which the City needs to plan and zone for new housing. As you know, the City does not build housing. About half of that number was previously zoned, so we're now looking to find suitable locations that could accommodate about 3,100 additional units.
- Some of these units will be – accessory dwelling units – called ADUs or Granny Flats, and they provide a more affordable housing options for young adults, seniors, and anyone in between.
- Some of these new units will be apartments, and others will be single-family attached and detached homes.
- We know our community is best served with a mix of different housing options, distributed throughout Pleasanton. Our goal is to find opportunities for workforce housing, senior housing, housing for individuals, and housing for young families.
- The Council is intent on making the best decisions it can to meet the State's mandates in a way that reflects our community's character and contributes to Pleasanton's high-quality of life for everyone.
- The Housing Element update will take most of the 2022 year, with a final adoption by the State in early 2023. We are not alone, every

city in California is required to have an updated Housing Element every 8 years.

- Also in the news, Sacramento has been extremely busy enacting new housing-related legislation. Each bill has been reviewed by Council and staff to determine if there might be negative impacts to our community.
- Occasionally, some new legislation is groundbreaking and will have a dramatic effect on our neighborhoods. As your mayor, I have written dozens of letters asking for modifications to these Assembly and Senate Bills.
- Working together with our lobbyists and the mayors of Dublin, Livermore, San Ramon, and Danville, we have made a difference, but there is more work to be done.

### COMMUNITY SERVICES

- Together we're enhancing our community services so that every resident has access to what they need.
- We know that public safety is critical to each and every one of us. In response, a key initiative was identified through the Council's listening sessions about policing in Pleasanton. There was a strong desire – from both the community and our police department – to develop an alternative mental health option when responding to certain calls for service.

- We surveyed many mental health response models throughout the US, and I'm proud to share the Council approved a pilot program that starting this year, which will send a licensed clinician along with a sworn police officer, to calls that involve individuals that may be experiencing a mental health crisis.
- In continued support of our schools, the City has been working closely together with our partners at the Pleasanton Unified School District to apply similar strategies with our School Resource Officers (SROs) which serve the community at our Pleasanton schools. We jointly approved an MOU to outline standards and expectations for the SRO program, and I am pleased to report that early data shows positive results for our students.
- While we're on the subject of schools, I want to take this moment to acknowledge the strong relationship we have with our school district. The elected school board trustees, Superintendent Haglund, and their staff at the district are a pleasure to work with, as we mutually seek to support the well-being of our young students in Pleasanton.

## MENTAL HEALTH

- In addition, our City joined with Dublin and Livermore as funding partners with Axis Community Health to support the creation of a mental health urgent care service that provides rapid access to

mental health care to address or minimize the escalation of symptoms that can lead to the need for acute care.

- Managed by Axis, this program has been in operation about a year now, with a goal of filling a mental health gap that was needed within our communities. Axis Community Health serves as an excellent complement to our new alternate mental health pilot program.
- I'd be remiss if I didn't offer my appreciation and congratulations to Axis Health's Executive Director Sue Compton, who is retiring in June. Thank you Sue for all you have done to improve our community.
- In working to ensure that our first responders provide the highest quality of care, I joined the other four Tri-Valley Mayors in advocating for Stanford Health Care-ValleyCare to be designated as a level II trauma center.
- Stanford-ValleyCare has been serving our community for more than 60 years, and I'm proud of President & CEO Rick Shumway, COO Tracey Lewis Taylor and their entire team for driving the integration of Stanford Medicine's leading-edge care and ValleyCare's local accessibility to continue to support the health and wellness of our community.

- Before I move on from public safety, I want to mention that we're making significant progress on the construction of a new fire station #3 on Santa Rita Road and West Las Positas Blvd.
- This project is a Council priority because Station #3 was functionally outdated and needed more space to meet the needs of a modern-day fire department.
- Taking care of our community requires an ongoing investment in our infrastructure, to ensure that we can meet and strive to exceed the high standard of service to which we're committed.

## ECONOMY

- Together we're strengthening our economy so that we can deliver the goods and services desired by our community.
- We're incredibly fortunate in Pleasanton to have companies that recognize the value of investing within our city, bringing jobs and revenues to the city.
- We work hard to attract and retain businesses into Hacienda and other business centers. I am very proud that Pleasanton is home to many progressive technology, manufacturing and professional service businesses thanks to our infrastructure, our highly educated workforce, our schools, and our outstanding quality of life.

- Allow me to offer an example: From the onset of the 10x Genomics project, I've championed the company's expansion as it constructs its global headquarters on Stoneridge Mall Road.
- The company is currently under construction with Phase 1's three-story, 150,000 square foot building that will house research and development as well as administrative activities. We expect to see that building open in the first half of next year.
- And 10x is already planning for future phases to keep pace with its exponential growth, which is anticipated to reach 1,400 or more employees.
- This project is a prime example of delivering on the Council's priority to expand the city's life sciences business sector, as we build an environment for businesses to start, grow, thrive and ultimately, stay here in Pleasanton.
- Just down the road from 10x is the Stoneridge Shopping Center. Let me assure you that we are in active coordination with the owner of the mall – Simon Property Group.
- As for many local retail centers, COVID paused Simon's redevelopment project as they adapt to the new landscape of retail.
- Simon remains committed to moving forward with an overall vision that will integrate housing, retail, and services in an updated model that will refresh Stoneridge Mall's presence in the community, and ensure it will remain an asset for years to come.

- Let's talk about the Johnson Drive Economic Development Zone (JDEDZ) and Costco. We're nearing the end of the legal challenge to the City's re-approval of the JEDZ, which paves the way for the needed transportation improvements that will enhance circulation along Johnson Drive and allow Costco to open its doors in Pleasanton.
- Together, we should be attending a grand opening in late 2023.
- In addition to Costco, the City has approved the construction of two hotel properties that will offer nearly 250 rooms and add to Transient Occupancy Tax revenues which support the City's Operating Budget. The hotels have already been approved, and are moving forward.

### **PRESERVING CHARACTER AND CHARM**

- Together we're preserving our city's character and charm so that residents and visitors can share in our rich history and generous hospitality.
- If there was anything positive that came out of COVID, many in our community might say that it was the Weekend-on-Main Street closures.
- Two years ago, we quickly implemented the street closures to support our downtown businesses during indoor capacity restrictions, and to give residents a way to safely enjoy downtown. Over the past two years, it has become a big draw to residents and

has developed into an ongoing program as part of the Pleasanton Downtown Association's roster of events.

- If you haven't heard yet, the Council approved the return of Weekends-on-Main, beginning the first full weekend of each month from May through December. This timing also allows Pleasanton Downtown Association to bring back our beloved Concerts in the Park on the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> Friday evenings when Main Street is not closed.
- Another response to COVID were the temporary pop-ups in parking spaces so that restaurants could serve patrons in an outdoor setting.
- At the Council's request, these pop-ups are being reshaped into a new parklet program that will bring back this additional outdoor dining under a set of design and safety standards that keeps our downtown clean and looking its best. And we've approved a grant program to assist businesses that want to participate.
- Recognizing that restaurants across the city, also want to offer new outdoor dining options, the Council extended its support through a similar grant program for those dining establishments outside of downtown. We want to support all restaurants in Pleasanton.
- But let me take a moment to remind you how important it is to support all of our local companies. E-commerce is here to stay, but if we want to retain local businesses that provide the goods and

services we use every day, then we've got to invest in them as they have in our community.

- Research from a Small Business Economic Impact Study shows that for every one dollar spent at a local establishment, 67 cents stay in the community, and every dollar spent at a small business creates an additional 50 cents in local business activity from employee spending and business-to-business purchasing.
- This past year, I have been delighted to welcome a few new dining establishments downtown such as: Zachary's Chicago Pizza, Elia, Middle Eight, and Locanda Amalfi — all of whom opened last year during the pandemic.
- As we draw people to downtown, we also need to think about how they're going to get here.

### TRANSPORTATION

- Over the past year, we've added to the City's network of bicycle lanes to provide a safe path of travel and dedicated bicycle parking on St Mary and West Angela Streets.
- We're also delivering on a Council priority to add additional parking in the downtown. You may have seen the construction fencing on the south end of the transportation corridor between Abbie Street and Bernal Avenue.
- When finished, that area will provide nearly 80 new parking spaces as well as a lighted and landscaped bicycle and pedestrian path,

which was all envisioned in the Downtown Parks and Trails Master Plan.

- Many people travel together to visit downtown for our unique public art, plays, classes and music. From the Firehouse Arts Center, to the Museum on Main, these arts enrich our lives and help to enhance our sense of place.
- With the vibrancy these programs bring, it's wonderful to see our community re-opening so that we can share in all the things we love about Pleasanton.

## SUSTAINABILITY

- Together we're planning for a sustainable today and tomorrow.
- After a two-year comprehensive process involving residents, businesses, implementation partners, City commissions and committees, and the Council, our community now has a newly adopted Climate Action Plan which is another completed priority in the work plan.
- CAP 2.0 as it's called, outlines the City's environmental policy framework for the next decade and addresses climate change through primary and secondary actions that aim to reduce greenhouse gas emissions with a goal of 70 percent reduction below 1990 levels by 2030, and carbon neutrality per capita by 2045.

- In addition to reducing emissions, CAP 2.0 intends to improve quality of life and public health, cultivate community resilience and adaptability, and promote thriving ecosystems and a vibrant economy.
- This plan will save an estimated \$585,000 annually to our community.
- Included among the CAP 2.0 strategies is the City's participation in East Bay Community Energy as the citywide electricity service.
- Currently most of Pleasanton's residential and commercial electric accounts are powered by California-based wind and solar resources from East Bay Community Energy.
- Our community has embraced this shift to local, renewable energy. With this transition, more than 300 million kilowatt hours of electricity consumed annually in Pleasanton will now be generated by California-based wind and solar projects, providing power to more than 20,000 homes and businesses.
- The City is also working together with our community to implement the State's Senate Bill 1383 – another Council work plan priority.
- SB1383 requires residents and businesses to keep compostable and recyclable materials out of California's landfills.
- This involves the elegant job of properly sorting waste, which I recognize can be a confusing process, but I know we'll rise to the challenge.

- One of the partnerships we've developed over the past years is with our homegrown Go Green Initiative. We've asked Jill Buck and the talented students she leads, to create a series of how to videos to share across our local social media platforms and on the City's website.
- I can't speak about planning for a sustainable future without sharing the City's commitment to ensuring both water supply and water quality.
- As you all know, we're in a drought. Pleasanton continues to work closely with Zone 7 to implement near and long-term strategies to ensure adequate water supply for the city.
- Adding to this, a few years ago we learned about the presence of trace contaminants known as PFAS in our well #8. We immediately stopped using well #8 and it has not been used since.
- As well, late last year the Council approved 43 million dollars for treatment and the rehabilitation of wells to resolve this issue.
- While that is a lot of money – for which we're actively seeking grants and low-cost loans from the state – it's absolutely what we need to do to continue to provide clean safe water to our residents.
- No one likes to sit in traffic, so we are investing in tools that will improve traffic circulation.

- Locally, we're designing the reconstruction of West Las Positas Boulevard to address the deteriorating road conditions, as well as incorporate pedestrian and bicycle improvements.
- On a regional level, serving as chairman of the Wheels/LAVTA board, and I am also an advocate for Valley-Link rail project. Valley-Link will serve as a critical connection for our workforce that lives to the east and travels to the Tri-Valley from San Joaquin Valley. When it is completed, Valley-Link will improve air quality, take thousands of vehicles off the road and ease congestion.

## FINANCES

- Together we are funding our future.
- Maintaining fiscal stability will always be a core value for Pleasanton, and because of that I can confidently tell you that our city is financially solid.
- A fiscally responsible move has been the City's decision to establish a Section 115 Trust Fund to ensure money is available for pension contributions, without having to reduce City services during these difficult economic times.
- As we continue to earn interest on the fiscal-year end balance of \$48 million dollars, the City is positioned to manage our pension obligation.
- In the last fiscal year, property taxes and special assessments generated almost \$78 million, which account for 54 percent of the

City's revenues, while sales taxes were \$22 million which is 14 percent of the revenues.

- We ended the fiscal year with a surplus of \$7.5 million due to a combination of higher-than-expected revenues and reduced expenditures. We in turn, allocated these funds for our COVID fund reserve, COVID response, repair and replacement, and Capital Improvement Program reserve funds.
- And a few weeks ago, when the Council reviewed the mid-year budget for the current fiscal year, we saw a rise in sales tax and business license receipts – that resulted in a \$5 million surplus which we allocated to our Capital Improvement Program reserve fund.
- As you know, we are a City of Planned Progress, so we are busy with a 10-year infrastructure and facilities replacement focused on our Water and Sewer Master Plan.
- While that may not sound exciting to everyone, it's the necessary work that allows our community to address challenges down the road.

### COMMUNITY SATISFACTION SURVEY

- Let's move on to the boasting section of my presentation, and how residents feel about our City, in response to a community satisfaction survey, conducted just 6 months ago in the middle of COVID's restrictions.

- 94 percent of the respondents rated Pleasanton as an excellent or good place to live—a rating as high as any place in the Bay Area.
- This rating was confirmed by Niche.com which offered an interesting statistic: They found that of the top 25 family-friendly neighborhoods in Alameda County, 23 of them were in Pleasanton! 23 neighborhoods out of 25 – right here in Pleasanton.
- While crime has risen in many communities, 96 percent of the respondents indicated they feel safe in Pleasanton.
- In fact, Pleasanton was ranked as one of the state’s safest cities in California in 2021 according to SafeWise.
- We talked about housing costs as a growing concern, particularly for young and lower-income residents: 89 percent of the respondents rated Pleasanton as an excellent or good place to raise children.
- When asked about programs, respondents ranked the mental health crisis response team as most important city program, followed by the all-abilities playground, both of which are underway.
- These are exceptional results, and after all, it’s only through working together that we will continue to create the kind of community we have come to love here in Pleasanton.

## CONCLUSION

- I want to express on behalf of the City Council and City staff our deepest appreciation to everyone who serves on our City commissions and advisory committees.
- We have heard from the business community in a survey and the residents of Pleasanton, and both agree, we live and do work in an excellent city.
- I am honored to serve as your mayor, because together we are making Pleasanton a premier city to live, work and raise a family.