

2016 STATE OF THE CITY

GETTING THE JOB DONE

FEBRUARY 22, 2017

INTRODUCTION AND THANKS

- Good afternoon! Thank you all for coming here today to hear about the state of our great city and what the future holds on the road ahead.
- I'd like to thank Scott Raty for the kind introduction, as well as the Chamber and today's sponsors.
- I'd also like to welcome the City Council—
- Vice Mayor, Jerry Pentin
- Councilmember Karla Brown
- Councilmember Kathy Narum
- and Councilmember Arne Olson.
- And I see some Pleasanton school board members,

and acting Superintendent, Michaela Ochoa here today. Thank you for coming.

- I'd just like to mention that even during a time of transition, Pleasanton's teachers continue to deliver an outstanding education to our students, evidenced by their recent recognition as being one of the best public education schools in the Bay Area.
- But in addition to the people you elect to serve, we have even more civic-minded residents who also contribute to our community.
- I'd like to acknowledge and thank our commissioners and committee members, who are the eyes and ears of our community.
- Our city wouldn't be what it is without your time and talent, and I want to thank you for your partnership and participation.

- I also want to recognize some key people who oversee the day to day operations of our city and make sure we are safe and sound.
- Dave Spiller, our Chief of Police and Ruben Torres, our Fire Chief.
- Can I please ask you and all of your staff here today to stand?
- Gentlemen and women in police and fire:
  - your bravery that you demonstrate every day—to keep us safe in our homes and on our streets;
  - and your courage to run into danger when everyone else runs the other way;
  - and your sacrifice that you sometimes make in service to all of us—
- Thank you for your service!

- Now, let's give them a hand.
- And last but not least, our city staff, led by the steady and able hand of Nelson Fialho, our City Manager, who has assembled the best of the best in the staff he has chosen to lead this City.
- There are too many of you to name individually, but the work you do, day in and day out, is so much more than just a job; it's a commitment.
- And the care that I have personally seen you take in responding to a constituent concern is proof positive that we are truly Pleasanton Proud.
- I am proud to be your Mayor in a city that is defined by its character and its commitment to the members of our community, which is increasingly diverse.
- We remember we are a nation of immigrants and that

many of our families came from somewhere else.

- We also remember that irrespective of religion, or race or country of origin, if you show up and work hard with us, together for the greater good of our community, you will be a welcome addition.
- And we stand strong in our commitment to diversity and we embrace what makes us culturally unique.
- It is a privilege and an honor to serve as your Mayor.
- I think it was Benjamin Franklin who said “diligence is the mother of all good luck.”
- He could’ve been talking about my mom.
- My Dad died in 1954 leaving my 32-year-old Mom with a 10-year-old son, no insurance, no money and a seventh grade education (child of the depression who had to quit school to help family).

- We immediately lost our home and car and wound up living with relatives.
- By the time I was in high school, my mom was a regional manager for a chain of retail clothing stores.
- And the diligence I saw in that woman, who worked her entire life—to put food on the table, to keep a roof over our heads, and to help me get an education that she herself never had—
- What I saw in her made me who I am today.
- Her work ethic and diligence and tenacity taught me that if you show up—and if you work hard—chances are pretty good that things will go right and you'll get the job done.
- Well, we sure showed up last year; we did the work, and we got the job done!

- You know, the other Tri-Valley mayors and I just got back from our annual trek to the U.S. Conference of Mayors in Washington D.C. and we accomplished what we set out to do:
  - to strengthen relationships and develop new ones
  - and to lay out our agenda for the road ahead
- And having just gotten back and witnessed the transition (and even some unfortunate acrimony), I can say we are truly privileged here in Pleasanton.
- But not the kind of privileged that suggests “entitled” but the kind of privileged that is earned—that comes from showing up and doing the hard work and getting the job done—together.
- Therefore, I am pleased to report to you today that showing up, working hard and getting the job done has

given me the chance to stand up here and say to you today that the state of your City is very, very strong and we should all be Pleasanton Proud.

- And man, did we get the job done last year!

## 2016 ACCOMPLISHMENTS

### ECONOMY

- As we all know, it's much easier getting the job done if you have the resources to do it, and the state of any city is linked to the health of its economy.
- And we have a very healthy economy, thanks in large measure to careful planning, strong fiscal management, and a robust business community—
- Our business community contributes close to 60 percent of our revenues and serves as an economic

force that continues to attract highly skilled workers to our region.

- And last year, voters made clear that the Johnson Drive Economic Development Zone should be used to its maximum potential, so we will be looking forward to hearing more about that development this year.
- Pleasanton is home currently to more than 56,000 employees at over 4,000 companies.
- Hacienda is currently at its highest level of occupancy and
- Roche is building a new 70,000 sq. ft. campus in Hacienda.
- These are just a few examples of our growing businesses and staying competitive.

- Add to that more than 2,000 in-home businesses and you begin to get a sense of the level of productivity in Pleasanton.
- Last year, we issued over 9,700 business licenses and witnessed the expansion of companies already here that want to grow their operation within our city limits.
- From CarMax to Service Max and Ellie Mae to Workday, business has discovered the advantages of Pleasanton's proximity to the Bay Area and the pool of talent that exists here.
- When we talk about a healthy economy and our economic vitality, we often talk about it as a part of the Tri Valley region.

- So it won't be a surprise that the Bay Area Council Economic Institute reported that our region's robust R&D infrastructure, coupled with its entrepreneurial streak has not only made this just a nice place to live, but a vital economic engine of progress for the entire Bay Area.
- And because of our proximity to two national labs, we have a disproportionate share of PhDs living in our midst.
- A recent thumbnail sketch of “patents pending” revealed that we have our fair share of inventors too.
- More than 1,100 patents were issued to inventors in Pleasanton in 2016 alone.
- So basically, I'm surrounded by smarty-pants with imagination—now I know why my job is so tough!

- Our city's economy continues to thrive, evidenced by the growth in our General Fund revenues:
  - which are up by over \$7.5 million dollars from the previous year
  - and were driven by sales, property and hotel taxes.
- In addition to growing revenues, our practiced fiscal restraint saved us \$2 million more than we budgeted for and gave us almost \$4.5 million in surplus funds:
  - which are being reserved for future repair and replacement projects
  - and capital improvement projects.
- We were also able to set aside a 20 percent reserve for a rainy day and make additional contributions toward paying down our future unfunded pension liabilities.

- Taken together, these things have created a solid economic foundation that serves our city in lean times and lush.
- But a solid economy isn't the only brick you need to build this house.
- In order to get the job done, you need the infrastructure and the amenities to go with it.

## INFRASTRUCTURE PROJECTS

- Infrastructure projects can be big or small, but they all add up to a sizeable impact on our quality of life.
- As part of our ongoing Bridge Maintenance Program, we approved some repairs to the Old Bernal Bridge and will be removing the old lead-based paint and doing repairs to extend its lifespan.

- But we did more than fix potholes and bridges.
- By now, the drought isn't a surprise to anyone, and if you're like me, you're probably thinking about buying a house boat with all the rain we've been having.
- While the drought isn't new, some of the things we did to manage it might be.
- Now everybody here knows how well we did as a city to conserve during the drought.
- We not only met but exceeded the state mandate of an overall 25 percent reduction in water consumption.
- And though it appears to be nearly over for now, the drought can't ever be far from our minds because of where we live.

- You know, I heard somebody say recently that “We live in a semi-arid drought state that occasionally has years of heavy rainfall.”
- And if you think about that, it has the ring of truth.
- Therefore, it is important to remember that we need to make conservation a way of life, regardless of what Mother Nature is up to at this moment in time.
- But before the drought hit its peak, we were already getting the job done by building this region’s largest retrofitting of purple pipes to deliver more than 450 million gallons of recycled water a year to our landscaping.
- That’s an overall savings of 10 percent of our potable water supply.

- And we're not only reducing potable water consumption by building purple pipes, we're automating our entire water metering infrastructure to put the power in your hands and give you the ability to better control and conserve the water you consume.
- We're well on our way with the installations and upgrades, and I imagine some of you have already gotten yours.
- Most or all of us on the Council volunteered to be Guinea Pigs and have ours installed first.
- So far, our staff has installed close to 13,000 out of the almost 22,000 meters we need, and we expect to be done sometime in the spring.
- And, going forward, we'll be getting the job done by working with our partners to expand our capacity of

recycled water and pursuing new technologies that increase sustainability and improve reliability.

## TRANSPORTATION

- In addition to developing infrastructure for water, we also spent a considerable amount of time on finding fixes for some of our transportation and traffic issues.
- I know this doesn't come as a surprise to any of you, but the 580, 680 and State Route 84 corridors continue to be some of the busiest routes in the Bay Area.
- Solving our transportation and traffic issues requires a regional approach and a long-term view, and we continue to make strides.
- We began widening State Route 84 about a decade ago, and I'm happy to report that we're in environmental review on the final stretch at Pigeon Pass.

- And this past summer, the 580 Express Lanes opened to great fanfare and success, with the latest numbers indicating that:
  - travel time along this 11-mile stretch has improved considerably during peak travel hours
  - with over 600,000 recorded trips in the Express Lane.
  - As a result, I580 has been removed from the list of ten worst commutes in the Bay Area.
- Also, with an eye on a regional solution, a group of us got together and created the Regional Rail Working Group to keep the conversation on track on the BART to ACE project.
- Our surface streets are getting a lot of attention too.  
Last year we:

- Improved safety by installing traffic signals in front of Amador Valley High
- Completed the Bernal Interchange and doubled the number of I-680 access lanes, as well as provided new landscaping, a monument sign and a whole lot of green paint for the bike lanes!
- Started looking at parking needs in Downtown, adding over 40 new spaces and restriping 50 more on First Street.
- And on the “alternative” transportation front, we’re almost done with an update on our Bicycle and Pedestrian Master Plan, after more than a year of outreach and input.
- One innovative way we’re getting the job done is our recent partnership with Scoop Technologies to

encourage carpooling for Pleasanton residents and City employees.

- And for a limited time, we will be paying people to up to \$2 a ride if they carpool using the Scoop app, which I encourage everyone to check out on our website.

## HOUSING

- But as we all know, transportation is a long-term fix, and so too is housing.
- Housing is one of those issues where everybody has a strong opinion and the “facts” to back it up.
- I think it was Mark Twain who said you need to “get the facts first, then you can distort them as much as you please.”
- So here are some facts about housing:

- California ranks 49<sup>th</sup> out of the 50 states for housing units per capita and will need almost 3.5 million homes by 2025 to satisfy the needs of a growing population
- Home ownership, once the bedrock of the American Dream, is at its lowest point since the 1940s
- In dollar terms, Californians pay \$50 BILLION more for housing than they can afford
- And the housing shortage has cost us over \$140 billion per year in lost economic output, according to a McKinsey study.
- And even closer to home, we have our challenges.
- The voter enacted housing cap of '96 that was overturned in the courts has caused us to play “catch-up” on housing.

- Housing is actually like a three legged stool in Pleasanton and the State of California.
- It cannot stand on one or two legs and we must consider all three.
- The first leg for Pleasanton was the lawsuit that happened as a result of the 1996 voter enacted (and as it turns out illegal) housing cap.
- We spend many years and many resources on this and once the housing cap was overturned, we faced a backlog of development, which is what you see being developed now.
- The second leg is RHNA, or Regional Housing Needs Assessment, which everybody goes through every eight years or so and based on the numbers, we either

have to create new development opportunities or not.

And for now, our numbers are good.

- The third leg is our Growth Management Allocation, which is part of our Housing Element and is where we DO get to set some local parameters around our growth and which guides the rate of our prospective development.
- We set a permitting limit of 235 units per year and we've well below that number for the past two years, but it keeps us in compliance with our Housing Element policies and allows us to plan for our progress.
- So now, we're back in compliance, and we've got our state-approved Housing Element and our regional housing numbers of about 2,000 houses through 2023.

- And we created the development parameters to meter our growth while meeting our state obligation at the same time.
- The housing issue is a challenge and affordable housing has been particularly challenging for seniors living on fixed incomes.
- So we did something about it.
- Last year, we broke ground on our new, affordable senior housing development at Kottinger Gardens.
- When it's finished, Kottinger Gardens will provide 185 new housing units, and I expect we'll be celebrating the grand opening later this year.
- And I'm very pleased to share the news about our recent approval of Irby Ranch, an innovative new development that will provide a bit more housing

opportunities while also providing affordable housing opportunities for special needs' adults.

- Those are just some examples of how we got the job done last year and how we will look at innovative solutions for housing going forward.

### **PARKS AND OUTDOOR SPACES**

- But I saved the best for last.
- Now, you all know we take great pride in our ability to provide exceptional amenities and services and last year, we may have outdone even ourselves.
- We celebrated the grand opening of the crown jewel of our parks' system when we opened Phase 2 of the Bernal Community Park this past summer.
- With 40 acres of Oak woodlands, meandering walking trails and three state-of-the-art synthetic sports fields,

the Bernal Community Park is the grand meadow with the green footprint.

- And I know many of you were there with us to celebrate, and I'm thrilled to see how many people continue to enjoy all this park has to offer.
- But part of how we get the job done in Pleasanton is through partnerships.
- We wouldn't have such an amazing community park if we didn't have such amazing community partnerships.
- We had a number of outstanding partners and support from Patelco, Stanford Children's Health, Play Bernal and a number of other businesses and individuals for the Park and a group of citizens who raised money to help make the project a reality.

- And because we place such a premium on our outdoor spaces, we were also able to offer a second off leash dog park for all the dog lovers and their some 26,000 dogs!
- And once again, you showed up and helped us get the job done.
- We even held a naming contest for the dog park and a young man named Aidan came up with the winning name of Cubby's Dog Park, which he chose to honor our first K9 officer, Cubby—who everybody loved but the bad guys.
- And by now, I think everyone knows how near and dear this next project is to me—our brand new Veterans Memorial, which was the vision of a small but dedicated group who felt that we needed to do

more to honor the fallen and their families and those who still serve in our military.

- And this memorial, which we completed and celebrated at the dedication ceremony, is another perfect example of how we can get the job done when we work in partnership together.

### CONCLUSION

- When I look back on the past year, two things strike me: how much we got done and how much we value and need your partnership and input in order to do it.
- In 2016, the Civic Center/Library Task Force met to create a Master Plan for the future of our civic center, library and police station—and they made some important recommendations that will help guide us as the conversation continues.

- These are kind of the partnerships that shape our future.
- And this coming year, we're going to need your voice and your partnership again because we've got some important planning for the road ahead.
- We recently purchased about 3 acres of land right across the street from the Library, and we will be looking for your ideas about the highest and best use for our entire community.
- And we also appointed some civic-minded community members to a new task force that will update our Downtown Specific Plan.
- When this conversation is completed, in about a year and a half or so, this updated Downtown Specific Plan will go hand in glove with the Civic Center/Library

Master Plan to guide our development decisions in the heart of our downtown for the foreseeable future.

- I want to encourage all of you to join the conversation that will shape our future. You can go to [www.ptowntown.org](http://www.ptowntown.org) to learn more about the Downtown Specific Plan Task Force, and sign up to receive updates.
- Civic engagement requires civil discourse and I want to encourage all of you to engage in our community; find an issue or a project you care deeply about and commit to it because democracy is not a spectator sport.
- 2016 was a great year and together we got a lot done, and we are well-positioned as we head into 2017 to build on our past accomplishments and create our future together.

- I want to thank you all for coming here today to hear about the state of this great city—
- And how we showed up and got the job done—
- And how we are planning for our future together.
- Pleasanton is truly one of the best places to call home.
- God bless you all, this great city, our nation, and our troops who defend our way of life all over the world.

Thank you!