

**State of the City Address  
City of Palo Alto  
Mayor Larry Klein**

**March 03, 2008**

I had the honor to make Palo Alto's first State of the City 19 years ago. That event was held at the Palo Alto's Children's Theater Auditorium. I am pleased that the State of the City speech has become a tradition and I am glad to have the honor of once again addressing my fellow Palo Altans and distinguished guests.

I recently had an e-mail from a friend which helped put into focus what I intend to say tonight. It stated "Do I recall that you wanted to be our Mayor this year? You sure know how to pick'em." Well, yes, we have a lot of challenges this year and, yes, Palo Altans can be demanding or as Newman Walker, a former PAUSD Superintendent, put it, "Palo Alto is a City of Vaedictorians". But, Palo Alto is one of the best places in the world to live and work and our citizens are actually great to work with.

The usual rule of speeches is to have no more than three topics. On the other hand, State of the City, State of the State, State of the Nation type speeches tend to have a listing of everything that the governmental entities are involved in. So, at the risk of violating the rule of three and also antagonizing those whose pet issues don't get mentioned let me use the four City Council priorities for 2008 as the framework for my remarks this evening.

Priority No. 1

**Healthy Sustainable Budget**

It all starts with the budget. To accomplish what we need and want requires financial resources.

Short-term our finances look pretty good. We had a Five Million Dollars surplus last year and for the first six months of this fiscal year we have about a One Million Dollar surplus. What effect the economic slowdown will have on the second half of the year remains to be seen.

We have reduced staff and expenses in recent years and as a result our headcount today is roughly the same as it was ten years ago. I am committed to finding additional reductions in our expenses.

Our longer term financial situation is murkier. We know that there will be a reduction in some revenues. For example, a significant portion of our utility user tax is based on telephone charges. Under present interpretations of federal law we can charge the utility user tax on traditional land lines but not on cell phones. Thus, as

more and more people are doing without land lines our revenue from this source is declining. We also have increasing demands to replace aging infrastructure. On the other hand we see some new revenues coming online from source such as the use of the old Los Altos treatment plant site near East Bayshore, the potential lease to Foothill College of the 8 acres at Cubberley which the City owns and the expansion of the Stanford Shopping Center.

We don't yet know whether these new sources will be sufficient to balance revenue reductions and also pay for the cost of the new publicly safety building – more on that in a minute.

We will thus need to carefully consider whether it is finally time for Palo Alto to adopt a business license tax. We are one of the very few cities in California without such a tax. We will be studying this issue this year and conferring with the business community about it.

## Priority No. 2

### **Public Safety Building and Library**

Another one our four priorities is the construction of a new public safety building and the expansion and rehabilitation of our undersized library facilities.

If you haven't toured the public safety portion of the City Hall complex I strongly urge you to do so. If you do you will understand why the City Council has decided, subject to some additional votes, to pay for a new public safety building, encompassing our police, 911 and emergency response departments from general fund resources rather than going to a bond measure vote. Simply put, our present police building is a disgrace. Almost 40 years old, it was built according to 1968 standards and was probably inadequate from day one. It does not comply with a variety of laws that have been enacted since 1968. For example, we are in violation of the laws concerning separation of children from adults. The police station was not built according to modern earthquake standards and likely would not survive a major earthquake. It is a disaster waiting to happen.

The Council's vote to move forward with the new public safety building, to be constructed on Park Blvd. near California Avenue, will require that we stretch ourselves to the limit to find the necessary funds from the existing general fund revenues plus some additional revenue from the anticipated projects that I mentioned earlier. We are figuratively turning over the cushions of the sofa to find the spare change. But an up-to-date, up to 2008 standards, public safety building is an absolute necessity.

We might like to fund the needed upgrades and expansions to the library system in the same manner as the public safety building but the money isn't there to do it. We need the approval of a bond measure and the additional income that will generate to accomplish these much needed improvements and expansions. Subject to further

Council vote, we have decided to put a library bond measure on the November ballot for this year.

Our library system presently provides services to over 2,000 people every day and Palo Alto residents checked out over 1.4 million items last year. What do these numbers mean? They mean that libraries are an important part of our lives, providing information, education, and entertainment on a daily basis. Libraries are learning for life and thus they are especially relevant in this community with our focus on education. Our “Valedictorian” quality, if you will.

We have started the library improvement process. Children’s library has been remodeled and expanded and is back and better than ever, providing a wonderful space for our children to learn and explore. This year will also see the temporary closure of College Terrace Library with some of the City’s regular city capital improvement funds being used to improve the building’s basic functions.

But what about the other libraries? Here, the solutions are far more costly than our regular capital improvement budget can manage. Mitchell Park and Main libraries are our two main libraries, the pillars of our busy system. They were built 50 years ago, and thus this year is their golden anniversary. But it’s not time for them to retire, it’s time for them to be renewed. Main Library needs new lighting, heating, cooling, and these repairs to this large building will be significant. Plus, its reading room design makes today’s programs and work styles hard to accommodate. A few small study rooms and an area for programs would make it ready for the next 50 years. And Mitchell Park Library is just the wrong size. It’s the only library for south Palo Alto and an independent consultant found it to be one-third the size it should be with half the number of books it needs. It is the busiest library we have and it is clearly unable to satisfy the existing demand for library services. And of course Downtown Library needs to be refreshed as well.

Our five libraries are well used, one has been upgraded and another one will be soon. A November 2008 bond measure will ask Palo Alto residents to renew their commitment to our libraries and bring them into compliance with 21<sup>st</sup> Century needs. We have in place an energetic and resourceful campaign to pass this bond measure and I hope you will join them in supporting the bond.

### **Climate Protection**

Climate Protection is our third priority. In December 2007 the City Council adopted a detailed 100 page climate protection plan. It is an extraordinary document, the first of its kind in the region, and probably one of the first adopted by a local government anywhere. I want to take a moment to commend the City’s Sustainability Team consisting of Nancy Nagel as its lead, Julie Weiss, Carl Van Orsdale, and Wendy Hediger for their terrific work in producing this plan.

The plan's goals are in the short-term to have the City to reduce its omissions by 5% from our 2005 levels, in the medium term by 2012 to have the City and the community to reduce omissions by a further 5% from 2005 omission levels and in the long-term by 2020 having the City and community together reduce omissions by 15% from 2005 levels.

Experts have stated that we only have a short period of time remaining to reverse the trend of the amount of greenhouse gases being produced before global warming trends become irreversible. Clearly we need to act and act now. Palo Alto, I believe, has an obligation to act not just because each of us should do what we can but also because we are among the technological leaders of the world. We benefit from that technological leadership and in return have a moral obligation to lead.

The goals of the Climate Protection Plan, while a good start, are not enough. I would like to see even greater reductions but to make that happen, the whole community needs to be involved. The City government is responsible for approximately 7% of the CO<sub>2</sub> omissions in Palo Alto. The rest of the community is responsible for the other 93%. All of us need to participate. To that end our Sustainability Team is launching the Community Environmental Action Partnership ("CEAP") this Wednesday at 4 p.m. in these chambers. All are welcome to attend and join this effort.

In addition, a group of volunteers and City staff is planning Earth Month for March 23 to April 26 with focused weekly goals to help us to reduce our contributions to global warming. During Earth Month I and, I hope, several of my City Council colleagues will pledge to go on a low carbon diet and reduce our carbon output by ten percent (10%) over the next year and 2% per year thereafter. There are a variety of ways to do this and they will be expanded on by various publications during Earth Month but we know we can do things such as switching to Palo Alto Green, bringing useable bags when we shop, recycling more, and biking, walking or taking public transportation more often. I urge every resident, to join me tonight in taking the pledge... for a cleaner, greener Palo Alto.

### **Civic Engagement**

Our fourth priority to the year is Civic Engagement.

I grew up in a place and time far different from Palo Alto 2008. But one thing the two places have in common is a sense of community. By that I mean an identity, a willingness to work together and a commitment to raise the City's children to be productive, decent citizens. A city which is also a community is not a bunch of soulless subdivisions adjacent to a shopping mall.

But maintaining that sense of community requires hard work and I must say I am very pleased that we adopted Civic Engagement as one of our four priorities for 2008. I have also been pleased with the overwhelming positive reaction which we have

received so far for this priority. However, that may be due to everybody defining it in a different way. I will be very interested in the proposals staff brings forth for our meeting of March 17<sup>th</sup> but as Ed Everett, former City Manager of Redwood City and a very effective builder of community has stated, "Community gets built by the Community, not by the City building it."

The City however can facilitate "Community" and here are some things I believe the City should do:

1. Reinstate and redevelop Leadership Palo Alto in order to give interested citizens the background and tools to more effectively participate in civic life.

2. Investigate the adoption of a 311 phone and internet system, either on our own or regionally. 311 works like 911 except it is only for non-emergency situations. It is for obtaining information. It is also a way for a city to learn what is on the minds of its citizens, what is bothering them. Nearly 100 cities across America have implemented a 311 system. Palo Alto took a look at this a few years ago and passed. It is time to look at it again.

3. Acknowledge the City's new website is not a success and move it, with significant citizen input and advice, to what one expert calls the interactive stage rather than the old "publication stage" which is where we are now.

4. More aggressively seek out citizen involvement. We have a wealth of talented people in our City, many of whom, I believe, would volunteer their time to help the City. Let's seek them out and value their input.

### **Conclusion**

19 years from now, in the year 2027, I expect to listen to the then Mayor of Palo Alto tell us of the successes and problems that the City is then having. But I also expect that that Mayor will thank us, those of us who live here in 2008, for the City's sound financial footing, the public safety building and library system of which they are proud the steps we took which helped the world avoid a global warming catastrophe and for the ongoing sense of community which makes us all proud to call ourselves Palo Altans.