

State of the City Address
City of Palo Alto
Mayor Judy Kleinberg
March 27, 2006

Palo Alto – a City on the Edge and at the Edge

Good evening...

First of all, I can't tell you how excited I am that we've been honored tonight with the debut performance of the Palo Alto Unified School District All Star Jazz Combo. This group just recently formed, bringing together some of the most gifted jazz musicians in our two high schools -- and what an immensely talented group of young people they are. Please stand as I say your names so I can recognize each of you individually:

Tenor Sax - Ken Elmore, Gunn

Alto Sax - Alex Eckstein, Gunn

Drums - Allen MacMorris, Paly

Bass - Sebi Bertsch, Gunn

Piano - Tim Chernikoff, Paly

Please give them a well-deserved round of applause.

And special thanks and appreciation to their band leaders, Mark Dungan from Gunn High School, and Jeff Willner from Palo Alto High School, for their time, energy, enthusiasm and leadership of this wonderful new group.

I am also thrilled to recognize the talents of our Palo Alto High School Varsity Basketball team that won the Division II State Basketball Championship just a week ago, capping a 30-1 season. Will you please stand?

These young athletes have shown their dedication and talent through hard work and long hours of commitment.

And let's also recognize their wonderful coaches, Peter Diepenbrock and Bob Roehl, for their role in this record-making year.

The appearance tonight of both these youth groups is more than just cause for celebration. The basketball team demonstrates for us the power of commitment, dedication and perseverance. As a community we also strive for excellence. What we achieve is determined by talent and timing, as well as circumstance. But striving for that goal is the common thread that motivates and inspires us. Even before they won, they were winners for setting their goal and working toward it.

This combined high-school jazz combo showcases for us the way our community can come together, rivalries to produce something infinitely better than they could have done separately. They serve as a model for the rest of us to create common ground and mutual goals out of our individual perspectives.

It is in that spirit that I want to thank all of you for caring enough about our community to be here tonight. I also want to acknowledge and thank all my colleagues on the City Council, the many Palo Alto city officials, our distinguished staff, and the elected officials from our region who are with us tonight.

Our common goal as a government and community as a whole is to provide people with the opportunity to have a lifestyle of quality.

This evening I want to speak with you about how we try to do that -- what we are already doing, and where we are headed. I want to discuss the successes we've had, some of the challenges we face, where we are in addressing them, and finally some new approaches to a vision for our future.

We can be, and should be, proud that Palo Alto is an award-winning city.

For our current budget, we've won:

- the Government Finance Officers Association's Distinguished Budget Presentation Award. This is considered the highest and only national award in governmental budgeting,
- and
- the California Society of Municipal Finance Officers' Excellence in Budgeting Award.
- Plus,
- Standard and Poor's has reaffirmed the City's excellent credit ratings in its recent evaluation of three current bond issues for storm drains, water and gas bonds. And the City continues to have a triple A (AAA) credit rating, which is the highest rating possible and awarded to only a few cities in California.

And recently, we won two prestigious awards from *Bay Area Parent* Magazine for The Palo Alto Junior Museum and Zoo -- one for "Best Places to See Animals," and the other for "Best Museums for Families;" our regional wastewater treatment plant received the "Global Pollution Prevention Solutions" award from the San Francisco Bay Regional Water Quality Control Board; And our new Homer Tunnel won Northern California's "Best of Highways and Bridges Project" award.

A recent national customer service survey ranked Palo Alto very high in almost all categories, with 88 percent rating the overall quality of City services as good or excellent, placing Palo Alto in the 90th percentile compared to other communities. 70 percent said they receive good value for the taxes they pay, placing Palo Alto in the 91st percentile. More than half of respondents were pleased with the overall direction of the City -- and of those reporting contact with a City employee last year, 80 percent rated that contact "good" or "excellent."

Not every ranking was so high, though, and not surprisingly, we received a dismal 3% ranking for “availability of affordable housing.” In this regard, we can, and are, doing better by approving well-located higher density projects, enabling lower cost units that are pedestrian and transit oriented.

One such project has added to our awards collection:

- The new Oak Court Apartments on Ramona, built by the Palo Alto Housing Corporation, won a Grand Award for Best Urban Affordable Housing and a “Best in the West” top award for Attached Residential Project.

For the third year in a row, Palo Alto received

- a Gold Medal from the League of American Bicyclists for our commitment to improving conditions for bicyclists. Palo Alto was the only California city and one of only 4 cities in the nation to receive a Gold medal. We are making the streets safer for bicycling through our traffic calming and safe routes to schools programs. In doing this, we all benefit from improved air quality, less traffic congestion, and energy conservation.

And we shouldn't forget our city's more-than-symbolic relationship to trees.

- The City of Palo Alto has achieved the national distinctive rating of TREE CITY USA for over 15 years, having met or exceeded all of the required standards for management and protection of trees on public and private lands.

These are only some of the many accolades that you as residents and business people have made possible through your support of council, staff and other community efforts.

But excellence brings with it the challenge of maintaining that high level of achievement and, year after year, meeting the expectations of such an award-winning community.

The most important and fundamental challenge, the one that drives our policies, is our budget – and we have work to do to continue to drive revenues up and expenditures down. The economic downturn of recent years has led to challenging labor negotiations and, unfortunately, some layoffs.

The good news is that our budget is balanced because the City Council has:

- cut \$20 million in expenses over 4 years,
- reduced staffing by 10 percent, back to 1998 levels,
- cut the budget to erase projected deficits for the next 9 years, and

- addressed financial problems without using our reserves.

Cutting the budget, staff restructuring and careful allocation of funds are only part of the story.

We must ensure that our financial structure is healthy and thriving by empowering the economic forces in our city. It is gratifying that our community increasingly recognizes that controlled economic development is fundamental to expanding city revenues. The Council recently approved a Retail Attraction Plan. I will continue working with other Council members, staff and community members on attracting and retaining a variety of retail businesses.

The latest effort to increase revenue is “Destination Palo Alto” which should maximize opportunities for people to recognize the Palo Alto/Stanford area as a great place to visit, with places to stay, places to play, and places to shop.

We’ve also passed the storm drain measure that will help solve our worst street ponding problems. We made real progress in our sustainability efforts with the adoption of our Zero Waste policy, and single-stream recycling has increased total recyclable materials last year by 10 percent over the previous year.

And we can already see the new soccer fields at Mayfield taking shape. These fields were created through a successful City-Stanford agreement, an agreement that I hope will serve as a model of town-gown cooperation that can usher in a new era of more collaborative problem solving.

In fact we’ve completed a number of infrastructure projects in addition to the new Homer Bike Tunnel, including several park upgrades, like the beautiful Briones Park that just reopened, and the purchase of the 13-acre Arastradero Gateway property.

Looking forward, there are a number of areas where the City is already moving to improve services, and create safer streets and more livable neighborhoods.

- A Blue Ribbon Task Force is working on ideas for upgrading our Police facilities.
- We’re completely revamping the City’s website.
- We’re restructuring the Utilities Department to improve oversight, correct inefficiencies and provide even better service.
- We’ll soon have trial improvements to the Charleston/Arastradero Corridor.
- We’ve started preliminary discussions with Stanford Shopping Center to enhance the Center so it’s more competitive.
- We’re working on plans for an affordable housing project on the city’s Alma Street substation property, and soon there will be a new housing project near Palo Alto Square, Sunrise of Palo Alto, catering to seniors needing special assistance.

- Planning continues for an exciting new community center in south Palo Alto with athletic facilities, senior housing, child care and social services at the Campus for Jewish Life.
- We're moving ahead, in partnership with the VTA, to create a more workable and attractive Intermodal Transit Center at our downtown train station.
- We're looking for ways to create an auto center along the 101 corridor, with one proposed site, our Municipal Services Center, a top prospect. Car sales amount to millions of dollars in revenue for our city that directly translates into city services. We must explore this possibility with an open mind and due regard for environmental considerations.
- We're actively looking for new sites for one or two hotels in order to increase our revenue from hotel taxes and provide much needed meeting space.

And to end on a "grand" note,

- Palo Alto is part of the Grand Boulevard project to redesign and enhance the beauty and vitality of El Camino Real.

And this isn't a complete list.

All of this is good news that we should celebrate. Palo Alto is certainly a city on the cutting edge.

But as we celebrate, we must also acknowledge that Palo Alto is also a city at the edge -- we face major challenges.

Primary among these is:

Flood control & the creek -- we've agreed to solve the storm drain problems, but creek and levee flood danger remains a major and unresolved threat that impacts not just those in the flood zone, but our entire community's security and well-being. We must carefully study whether there are any legitimate and affordable interim steps that would give property owners along the creek a measure of protection while the JPA tackles the long term total fix.

Infrastructure – it's a Council priority this year to add \$3 million to our Infrastructure reserve, and our Finance Committee will be working on this.

Library system upgrades – this is another of our Council priorities, to finally resolve this seeming stalemate. Our Library Commission and the Friends of the Palo Alto Libraries must work collaboratively with our community to resolve the disconnect between what we can afford and what we want and need.

Police building – our Blue Ribbon Task Force is made up of incredibly smart and talented people bringing diverse skills and perspectives. We look forward to their recommendations.

Streets – our Auditor has confirmed what we already knew, that our streets are earning the ignoble title of "the Mean Streets." This is just plain bad government. The backlog of work and the inefficiencies of our repair efforts will certainly be the subject of intense focus by Council and staff to correct this unacceptable situation.

The Planning Department is also the subject of intense scrutiny by our Council, which just referred a proposed reorganization plan to the Planning and Transportation Commission. A few voices decried this move as being micro-management. I couldn't disagree more. This is the Council's job, to oversee the management of our City. This department has been the subject of much criticism in recent years – it deserves the thought and analysis that the Commission can give it,

Staff costs & benefits – upcoming labor negotiations will be critical to our bottom line -- today and especially in the future.

Parks and recreation facilities – we must anticipate the needs of our burgeoning youth population, our aging baby boomers, and our growing senior population. Whether we're looking for new playing fields, upgrading our parks and golf course, or adding innovative classes, the recreational needs of these diverse groups must be met with visionary planning.

Arts and culture – among our most treasured community assets are our theaters, museums, artist studios, musical programs, parades and events – we must ensure that these are not considered expendable line items in our city budget. Culture is what gives a community a soul and raises it out of mediocrity. As Camus said: "Without culture, and the relative freedom it implies, society, even when perfect, is but a jungle." We must find better ways, especially through public-private partnerships, to support the soul of our community.

I also have a couple of other suggestions:

- ❖ Regarding economic development and "Destination Palo Alto," I propose that we work with this group to develop several new annual major events, in collaboration with the Chamber and Stanford, for weekends when hotel occupancy is lower.
- ❖ I also propose that we publish an annual City Report Card. It should establish benchmarks and track progress against timelines and budgets. In doing so, we would all have a common set of data that would tell us where our City is in meeting its responsibilities, goals and objectives.

In addition to all of these projects, I want to focus our community's attention this year on two special areas.

- ❖ The first of these is the challenge of climate change and global warming. The problem of climate change is slowly moving into the mainstream of public consciousness. The cover story of Time Magazine this week on global warming says the earth is at the tipping point. It would be irresponsible for our community, with our history of environmental stewardship, not to respond and be a catalyst for change.

Therefore, I propose the creation of a Mayor's Green Ribbon Task Force. This Task Force will bring together multiple community stakeholders – including the city, schools, business, environmental groups and Stanford – to work on the

problem of climate change and green house gas emissions and to recommend tangible steps and local actions by all stakeholder groups, including the city, to reduce global warming and encourage sustainable practices.

- This task force would not only educate the public about global warming and its impact on Palo Alto, but it would also identify best practices for the most effective, practical and innovative solutions for climate protection that we can adopt -- to reduce greenhouse gas emission, improve energy efficiency and alternative fuel usage, and encourage microgeneration and green building design.
- Some say this is too big a problem to tackle at the local level. I disagree and so do dozens of other mayors across the country. It's not just a question of melting glaciers – it's a matter of public dollars and public health. It is abundantly clear that our grassroots local actions to deal with climate change will not only protect our economic well-being, but ultimately protect public health. We can't wait for the state and federal governments to solve this -- we must take responsibility at our local level.
- I'm pleased to announce that Stanford is interested in working with us on this effort and I will be meeting shortly with the directors of Stanford's Woods Institute for the Environment that oversees Stanford's Initiative for Environmental Sustainability to discuss their participation.
- And I'm delighted to announce that former Mayor Jim Burch has agreed to chair the Mayor's Green Ribbon Task Force.
- I anticipate that this group will develop a mission statement, work plan and then make recommendations from which each stakeholder group will develop goals, objectives and benchmarks, some to be worked on alone and some in partnership across sectors. And progress toward goals would be annually reported in a community-wide "Palo Alto Green Index."

While I'm on the subject of the environment, I want to let you know that this year we will have some special ways to observe Earth Day, which is April 22nd. We will have a special study session on Monday, April 17th to learn how our city is doing with its sustainability projects. And we will also have some special matters to discuss at our Council meeting, including proposals to update our tree master plan and further explore green building policies. Expect to hear more about Earth Day activities as the date approaches.

❖ The other area of great importance is emergency preparedness. You should know that, given the resources currently available to them, our Fire and Police departments are doing a terrific job preparing for a localized emergency. Some of them are considered experts in their field. And our city is also beginning to focus on preparations for and response to a medical emergency, such as a pandemic flu. It's true that we have greatly improved our ability to respond to emergencies, both through updated resources and through training. We also have several dozen well-prepared community emergency volunteers trained

through our PANDA program. And our local area Red Cross and radio operators are organized and committed to support us in an emergency.

Nonetheless, whether it is a natural disaster of earthquake, fire or flood, or a medical disaster, I believe we can do much more. If we have an earthquake like the magnitude 7.9 one that devastated San Francisco 100 years ago, the destruction would be massive, with estimates of damage topping \$122 billion, close to the destruction wrought by Hurricanes Katrina and Rita in Louisiana and Mississippi. It would be comparable to the worst natural disaster in American history. If we have a pandemic flu, the numbers of sick in our region is projected to reach over 200,000, with schools and businesses closed, hospitals and clinics overwhelmed, and public transportation and food supplies severely compromised.

I paint this grim picture for you to make the case for why we are not prepared for a region-wide disaster on this scale. And worse, we have no plan for recovery. This applies not just to government operations, but to businesses, schools, medical services, and the basics of food, water and shelter. If a sudden disaster of the magnitude I've described hit tomorrow, I fear we would be like the gulf coast after Katrina – barely functioning, if at all, and waiting for the government, whether state or federal, to help.

I submit that we must do all we can to tackle a possible crisis, whether earthquake, fire, flood or pandemic flu, with more resources and more collaborative effort across sectors, forging public and private relationships and creating reservoirs of resources, both financial and material. We cannot afford to assume that others will be there to help us.

It is for that reason that I will shortly convene a special Mayor's Committee on Emergency and Disaster Planning, with representatives from all sectors, from schools to Stanford University, from the faith community to the business community, to nonprofits and hospitals, to work with our Police and Fire departments and our private first responders, to develop plans and define roles and responsibilities now, when we have the opportunity, to plan for a disaster and the recovery period that would follow. I will ask them to focus on 2 "P"s and 2 "R"s: prevention, preparedness, response and recovery.

If we put our best effort into this, we won't wake up on the morning after a disaster and ask why we didn't do more when we had the time and the resources to do it. I'm hopeful that the greater Palo Alto community will be a model community of local readiness, building on what is already being done, and based on both mutual support and self-reliance.

Finally as Mayor I want to make myself as available as possible to the community, so I know personally what you're thinking and how we can better meet your needs. I plan to have "Mocha with the Mayor" days. These will be my Community Days when I meet with citizens, usually over a cup of coffee, as well as government staff, school officials, business leaders, and Stanford representatives. These will be announced as they're scheduled.

I'd like to close with an observation: we Palo Altans love to talk – we should get an award for that! But at the right point, after plenty of discussion, it's time to act. I believe our current Council is more collaborative and more civil than in many previous years, and is already showing the leadership necessary to know when to listen, when to question, and when to act. This leadership presents us with an opportunity to resolve some of our most persistent and difficult issues. And I believe we get there by focusing on what is best for the community as a whole and anticipating what is best for the community in the future. As Bill Cosby once said, "I don't know the key to success, but the key to failure is trying to please everybody."

Many of you are already committed to making our city work for all Palo Altans. Just your being here tonight demonstrates that commitment. Thank you to those of you who now or previously served on city boards and commissions, or volunteer in our schools or libraries, or serve as docents at our museums or help plant new trees and clear trails, or help maintain a neighborhood association, or volunteer with the many nonprofits that mean so much to the vitality of our community. Your collective effort is what makes Palo Alto such a desirable place to live and work.

We didn't rank in so many of the 90th percentiles for satisfaction by accident. We got there because our government and our residents, including our businesses, continually strive to be better, and do better. And we didn't get there without being demanding. Complacency rarely breeds improvement – most often it breeds stagnation. Demanding that we continually examine how we can improve is the fuel in the engine of good government. But we should also take stock of what we have and as we enjoy it, we should also appreciate and celebrate it more. So expect me to be both leader and cheerleader this year – I think they're both part of my job description. I pledge to work hard at both of those for you this year.

Thank you.