



**Mayor Kate Gallego**  
**State of the City Address 2024**  
*As Prepared for Delivery*

**Embargoed until 12:30p or when the mayor begins her speech**

Thank you. Thank you all for being here.

Before I tell you about the state of our city, I want to thank everyone who made today possible, who make every day possible:

First, I want to thank my father, Jim. Dad, you are the best grandpa, mentor to my son, soundboard, and friend. Your unwavering presence and support mean so much to me.

To City Manager Jeff Barton and every City of Phoenix employee, including our first responders under the leadership of Police Chief Sullivan and Fire Chief Duran: thank you for your work every day to make our city the best in the world.

To everyone gathered today and to those watching online: thank you. Cities are defined by their people—and Phoenix is leagues above in this category.

For decades, those of us in this room and many outside of it have worked to create a local economy worthy of its people and promise...to make Phoenix the place where the future happens.

The world's most advanced semiconductors will be manufactured right here...in Phoenix. Already the world's first automated cars have been put to use right here...in Phoenix. Amazing medical discoveries are taking place. I can't say it enough: the road to curing cancer will come right through here...in Phoenix.

**What we have created here is unprecedented in American history.**

The country's largest-ever new Foreign Direct Investment is coming to Phoenix. This month, Taiwan Semiconductor Manufacturing Corporation, TSMC, increased its investment in our community to a total of 65 billion dollars. The economic impact of this project is seismic. It is like hosting the World Series in Phoenix every two and a half weeks.

It didn't happen by accident. I chased this opportunity relentlessly when I first traveled to Taiwan in 2019 to pitch Phoenix as the best place for TSMC.

The two nanometer chips that TSMC will make here have not yet been mass-produced anywhere on the planet. These chips, for scale, are about 50,000 times smaller than the width of a single human hair. Tiny, tiny chips, big, big investment.

Because the Biden Administration and Congress got the CHIPS Act done, we've seen unprecedented federal dollars flow into in our economy. TSMC will receive 6.6 billion dollars, and Intel's projects, including here in the Valley, will see another 8.5 billion. That's a big win for local jobs and national security. We have one of the strongest CHIPS Act supporters in Congress with us here today—my predecessor and our great Congressman, Greg Stanton.

Netherlands-based ASM and ASML, two of the world's most essential semiconductor industry suppliers, are expanding in Phoenix. These investments are being met with world-class training centers working in concert with our community colleges—giving our students access to jobs of worldwide significance.

The companies are so important that the Prime Minister of the Netherlands came to City Hall to discuss our partnership. That's a big deal. As a result of that visit, today I am delighted to announce that the Dutch government is setting up a permanent trade office in Phoenix—further cementing the Valley as a key player in the future of the international economy.

These investments have helped spur the business ecosystem we've longed for, and new players are coming into the region.

In Phoenix alone, 25 semiconductor companies have either relocated or expanded since the first TSMC announcement.

That means something huge to all who live here: jobs, jobs, jobs.

TSMC alone is creating 25,000 construction and manufacturing jobs. Good jobs that change lives.

Just last month, I met a Navajo woman named Keara. She signed up as a member of the Ironworkers Union, got the right training, and told me she made 8,000 dollars in her first three weeks building a semiconductor fab. That's a lifechanging career path.

I met several Navajo union members with this same story. Their parents and grandparents worked in the coal mines, or at the coal power plant. And remarkably, today the next generation is using their skills on the front lines of the chips revolution.

Getting the right training is essential to everyone's success. These are jobs with a level of sophistication and precision unlike anything we've ever seen.

That's why, at the City of Phoenix, we created the first-of-its-kind Registered Apprenticeship program that will support a diverse range of workers who want to succeed in advanced manufacturing. Many pitched in to get this program off the ground, including the Arizona Community Foundation with a multi-million-dollar philanthropic fund.

The program is already attracting young people such as Ray, Kallen, and Ryan.

Ray Barrera was born and raised in Phoenix, received an associate degree from Phoenix College, and previously worked in fiberglass. He applied to TSMC after hearing about the opportunity online—and now, he leads a team of 20 technicians.

Kallen Yazzie previously did contract work in carpentry. His offer letter to join TSMC as an apprentice was in his inbox when he woke up on the morning of his birthday. Not only is Kallen thriving and gaining new skills in the program—he's an ambassador for the industry, telling his friends and family all about semiconductors and what they do.

Ryan Zanes completed two apprenticeship programs early in his career, and today he manages all the mentors who have dedicated, one-on-one relationships with the apprentices.

Ray, Kallen and Ryan are living proof of just how beneficial these major investments are to our community, providing new opportunities that didn't exist a few short years ago.

I'm excited that Ray, Kallen and Ryan are here with us today. Would you please stand so we can recognize you?

Just as we are working at breakneck pace to lay the foundation for an expansive semiconductor workforce—we are working with urgency to ensure that those living in Phoenix have access to top-notch medical care.

When my mom was diagnosed with cancer many years ago, our family was told that she'd have to travel to Houston to receive the best care. This bothered me to my core, and I vowed to change it. I want all Phoenix families to get the care they need right here at home. **And let me be clear, that includes reproductive healthcare.**

Last year, when Phoenix voters approved the General Obligation Bond, they made a 12-million-dollar investment to partner with ASU to build a new medical school downtown. It took a lot of work to get that bond passed, and it's not an exaggeration to say it will benefit Phoenix for

generations. Thank you to the impressive co-chair of that campaign, Councilwoman Kesha Hodge-Washington.

ASU Health will join an existing network of medical excellence, which includes the University of Arizona and Creighton University. We are so fortunate to have Creighton's president, Father Daniel Hendrickson, with us here today.

We will fuel advancement in medicine alongside other institutions such as the University of Arizona's Center for Advanced Molecular and Immunological Therapies, Barrow, TGen, and all of our hospital partners. In October, the City Council and I paved the way for the next chapter of bioscience in north Phoenix, advancing Mayo's expansion on the 'The Discovery Oasis' campus. This biotech corridor will continue to grow the presence of first-in-class research and health care. So much of our progress at that site is because of the steadfast commitment of Councilman Jim Waring.

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Our dynamic economy—and the promise of our future—is making Phoenix even more of a destination.

It's one of the reasons Phoenix Sky Harbor is busier than ever. Since I took office, international passenger numbers have jumped 20 percent. We have 22 more international flights departing every week than we did five years ago, including our recent addition of Tijuana on American Airlines. We now serve 146 air markets—the largest number of nonstop destinations Phoenix has ever had—and in one month from today, you'll be able to hop on a direct flight to Paris!

As of today, the Phoenix Airport System's economic impact is 44 billion dollars—an increase of nearly 15 percent compared to 2016. Part of that impact is made thanks to partners such as Southwest Airlines, which opened one of the largest hangars in its network at Sky Harbor a few months ago.

I love our airport and the local options we have...and I'm not the only one. Last year, the *Wall Street Journal* named Sky Harbor the very best airport in the country. I want to thank our entire airport team—from Aviation Director Chad Makovsky to our Navigators to our business partners—for making that designation possible.

That high mark is one I'm committed to keep, and we're going to continue to invest in Sky Harbor to make it even better. Through the federal Bipartisan Infrastructure Law alone, our airport is set to receive more than a quarter billion dollars for upgrades.

If you've walked through Terminals Three and Four recently, there's no doubt you've noticed how much busier they are than in past years. Soon, we will need a new terminal to accommodate our future growth—and I'm proud to share that next month the City Council and I will get to work on a new, cutting-edge terminal at Sky Harbor's west end. It will be beautiful, with net zero greenhouse gas emissions, and equipped with a new Customs facility that will help us welcome even more people from all over the world.

A top tier terminal makes sense for a city that's a leader in worldwide aviation. Air taxis will make their Olympic debut at the Paris Olympics this summer, many utilizing systems made by Honeywell Aerospace right here in Phoenix. PABLO AIR, a leader in delivering emergency supplies to remote locations using unmanned aerial vehicles, chose Phoenix for its North American headquarters. Later this year, Phoenix will become the first large city in the world to have Amazon Prime Air. If you live in parts of West Phoenix, you will be able to opt in to have a drone deliver your Amazon package.

We're leading the way on our roads and rail, as well.

Thanks to Waymo, we are the largest autonomous vehicle zone in the world. And I would also like to welcome the Global Operations Center for Cruise to Phoenix! Whether a Cruise car is in Tempe, Tokyo, or Dubai, the navigation of the autonomous vehicle will be managed by an operator in our city.

Just a few months ago, we extended the Light Rail north to Metro Center. It seamlessly passes over the I-17 with the system's first elevated bridge—an incredible engineering achievement. Thanks to Valley Metro and the great project team, this extension was completed on time and on budget!

Next summer, we'll celebrate the opening of the South-Central extension that will connect communities along Central Avenue from Downtown to Baseline with reliable, convenient transit access.

Infrastructure is essential. In so many ways, it's the foundation of our local economy. Leaders before us knew that—and voters did, too. By passing Proposition 300, and then Proposition 400, Maricopa County voters leveraged a half-cent sales tax into the infrastructure we see throughout the region today: Loops 101, 202 and the 303. Proposition 400 has brought improvements to hundreds of miles of roads, helped us expand Valley-wide bus service, and made the light rail system possible.

The funding source that supports us moving people and moving goods expires at the end of next year.

Reaching a deal with the State Legislature on how to renew it wasn't easy, but the agreement to extend the revenue stream does a lot of good. It adds hundreds of miles of freeways that our growing region needs, gives us the resources to make the I-17 safer, and continues to make meaningful investments in public transit.

That bipartisan agreement—the renewal of this essential investment—is on the ballot this November! It's called Proposition 479...and there may be nothing more important to our local economy than getting this decision right. There are so many who made this possible, including a coalition of city, town, and tribal leaders who worked overtime to deliver. And one of the most indispensable leaders is with us here today: The executive director of the Maricopa Association of Governments, Ed Zuercher.

So many leaders deserve recognition, and a few of them are here with us today: Mesa Mayor John Giles, Buckeye Mayor Eric Orsborn, Chandler Mayor Kevin Hartke, and County Chairman Jack Sellers. Many state legislators who are in the audience. And, of course, Governor Katie Hobbs.

**We have an important road ahead of us—so let's get this done!**

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All of these investments... the future of our economy... our own livelihood... wouldn't be possible without our most precious resource: water.

We know the tough news: The West is facing an unprecedented drought—and we are keeping a close eye on the Colorado River as we navigate ongoing negotiations about potential cuts that affect all of us in Arizona.

Last year, I'm sure you saw the flurry of headlines. Major news outlets declared that Phoenix was running out of water following the State's announcement about groundwater deficits in pockets of Maricopa County. One local opinion columnist even said that "if you move to Arizona, you will die of thirst."

...Like Michael Jordan said: I took that personally.

Let me be clear: Phoenix is not running out of water. We are conserving better than ever—and we're working to create a new supply.

Last year, I told you about my plan to build a multi-billion-dollar, state-of-the-art advanced water treatment facility that will recycle 60 million gallons a day. Since then, we have added plans to upgrade the Cave Creek Water Treatment Plant, equipping it with the same purifying

technology. Advanced water purification is essential for sustaining our economy and our quality of life.

For decades now, Phoenix has approached water policy with the long-term view in sharp focus, and I'm proud that this City Council continues that tradition.

We unanimously passed our Sustainable Desert Development Policy last year. Just a few weeks ago, we passed an ordinance for conservation requirements on new industrial projects estimated to use more than 250,000 gallons per day.

This collaborative approach will allow the experts in our Water Services Department to work with local businesses to find conservation solutions. There are inspiring examples of responsible water stewardship across the business community, and together, we will continue to deliver new strategies to secure our water supply.

Phoenicians care about our environment and want to be part of the solution. We're working to make it easier than ever to do so:

We rolled out all-new rebate programs, incentivizing businesses and HOAs to remove decorative grass that guzzles water. Residents can also access funds for better irrigation technology and more efficient appliances.

Sustainability in the desert also requires intentional strategies to make our city more resilient in the long run. As we approach important milestones on the pathway to a clean energy economy by 2050, we're lucky to have historic federal support through President Biden's *Inflation Reduction Act*. Just yesterday, we learned that Arizona will receive a 156-million-dollar Solar for All grant to install panels on homes across the state. In September, Phoenix also received a ten-million-dollar award to accelerate our city's tree planting efforts. It's safe to say there's something in this law for all of us, and the impacts will be transformational.

This month alone, we planted more than 300 trees at the schools that needed them most through our Canopy for Kids Grant. By year-end, that number will increase to over 1,000. Aislynn, who led the pledge for us today, is one of thousands of students who are benefitting from this investment. Councilwoman Laura Pastor's office joined us for the tree planting at Aislynn's school in the Isaac School District, and as a longtime educator with a big heart for Phoenix kids, I know this program is especially meaningful to her. Thank you, Laura.

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We are working to build a more equitable Phoenix...and my vision for a more equitable Phoenix is one in which all residents are safe, secure, and supported...a Phoenix in which residents feel

confident that dialing 911 will result in swift attention and resolution...a Phoenix in which police officers can safely do their jobs and return home to their families after every shift.

I deeply appreciate our police officers—and I'm grateful to each and every one of them who take great risks every day to keep our city safe.

As mayor, I set out to make improvements that enable our officers to better focus on their core job functions. For example, it frustrated me how many times police officers were sent to a scene where someone was experiencing a mental health crisis but hadn't committed a crime. In instances like this, a behavioral health specialist or social worker is much more appropriate.

Five years ago, we began to pilot alternative responses to 911 calls with a focus on mental health. Today, we have a full-fledged Community Assistance Program, or CAP, operating throughout the city, seven days a week. We continue to partner with Solari, the Crisis Response Network, to make sure we are providing the correct care on each call. So far, we've diverted nearly 8,000 calls for service through Solari and CAP.

The CAP model is changing lives...and saving lives. This approach helped house a family who formerly lived in a park, connected a young man dealing with isolation to supportive resources, and even helped an elderly man repair his broken air conditioning unit and rescue his dogs.

Our efforts are serving as a model to other law enforcement departments across the globe... and I'm proud that Phoenix was recently the only large city featured in BBC's "People Fixing the World" Podcast about innovative ways communities can provide behavioral health services for those who call 911.

It's working so well that we continue to grow the program. Voters approved millions of dollars in Bond funding that will expand the program at three Phoenix fire stations.

We also recently celebrated the opening of our Police Department's Real Time Operations Center, an effort supported by Councilwoman Betty Guardado.

From license plate readers to specialized cameras to gunshot detection technology, this facility is already making the 27th Avenue Corridor safer and improving the quality of life for residents.

Policing in today's world is increasingly complicated. The overwhelming majority of the time, our officers get it right. But sometimes, we do get it wrong. When we do, there must be transparency and accountability. On top of that, we must learn and train officers so we don't repeat our mistakes.



Five years ago, when I assumed this office, I hit the ground running to bring new transparency mechanisms to our Police Department, improving the experience not just for our constituents, but for our agency.

Today, every single uniformed, frontline Phoenix Police officer is equipped with a body-worn camera. Body-worn cameras have provided another window into the split-second decisions our officers have to make on duty, ultimately guiding critical decisions on accountability, policy and training.

I also recognized that good police work can't happen in a vacuum. The more we involve our residents in our operations, the better bridges we'll build—and the deeper trust we'll have—between our neighborhoods and law enforcement. That's why we created a unique office at the City that provides civilian review of law enforcement. That team released its first two monitoring reports earlier this year, and though the reports were far from glamorous, their recommendations demonstrated the value of additional engagement in our department's work.

Soon, the Council and I will vote to add an extra layer of oversight with a Civilian Review Board – a group of appointed residents who will provide important community perspectives. Together, I know that these new accountability tools will help us reinforce our department's track record of excellent service to Phoenix.

I am especially thankful to have a passionate change agent alongside me to lead with a people-first approach to public safety. Can we give a round of applause for Councilman Kevin Robinson?

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As we continue to make strides on many fronts, we have a duty to ensure Phoenix remains a place where anyone willing to work hard and contribute can get ahead.

Affordability—especially when it comes to housing—is a more significant challenge than ever. Wall Street investors have scooped up thousands of single-family homes in our region, others have gone into the short-term rental market...and as the supply dries up, prices jump up.

I want to make sure Phoenix is doing its part. Through the Housing Phoenix Plan, we are nearly 80 percent to our goal of creating or preserving 50,000 homes by 2030. The City Council and I made it easier for homeowners to build Accessory Dwelling Units, or backyard guesthouses, to increase the housing supply and give Phoenix families the opportunity to live multi-generationally.

We are making it easier for developers to grow supply. We are updating the City Code, adding staff, and improving technology to cut red tape and reduce approval times. For example, instead of waiting on the City Council, city staff can now review plats more quickly, in turn accelerating the building of affordable housing in Phoenix.

To folks who might be listening and thinking zoning policies are the bane of the affordable housing shortage: **I'm here to tell you that in my city, they are not.**

The Phoenix City Council zones more multifamily housing units than any other city in Arizona. We approve hundreds of future homes, ranging from market rate to affordable, at nearly every Council meeting. As market forces trend toward more dense building, we're seeing a nearly 30 percent increase in multifamily permits.

Now more than ever, we need partners across all levels of government, industry, and community organizations to come to the table on solutions to the affordable housing challenge. We must do the right thing by our neighbors and friends who are struggling to find housing options they can afford.

A lack of affordable housing options also contributes to the challenge of solving our homelessness crisis. This is a tragic reality for communities like ours throughout the country...one complicated by substance use, and a real gap in mental health care availability.

As the crisis has grown, so too have our efforts to combat it.

The City's Office of Homeless Solutions—which didn't exist when I became mayor—today has 36 full-time team members. Many of our dedicated outreach staff have experienced homelessness themselves, giving them unique insight and a leg up on helping others transition out of homelessness. Phoenix is also leading the way on shelter: in the last three years alone, we've come to represent nearly **83 percent** of all beds in Maricopa County. That is a staggering number—and more communities in the Valley must step up to meet this moment.

Getting a person into temporary shelter makes the path to permanent housing much easier... and the one-approach-for-everyone strategy doesn't work. It's one of the reasons why we continue to develop wide-ranging solutions that make sense for individual circumstances, whether it's a shelter bed, a shelter that accepts pets, or private quarters in a converted shipping container. The shipping container solution, pioneered by local company Steel and Spark, is a marvel—and even won the top prize for urban design at South by Southwest last month.

We owe a special duty to the most vulnerable among us. Especially in the summer.

The Department of Public Health reported 645 heat deaths in Maricopa County last year...a human tragedy in our own backyard. As we prepare for what could be another tough summer, it's time to shift our thinking. We have to prepare for extreme heat the way other communities do for hurricanes, tornadoes, and blizzards.

We know that tragedy can happen. The good news is that we have great partners and leaders who are willing to do something about it. Our newest member of the City Council, Carlos Galindo-Elvira, is already stepping up to make sure we do our best to care for our most vulnerable residents, and I'm grateful for that, Carlos.

It will take an all-hands-on-deck approach. Last fall, I called on City staff across departments—Heat, Homeless Solutions, Emergency Management, and Public Health—to apply lessons from last year and work together to craft a comprehensive plan for 2024. That means planning for a new reality of persistent harsh summer temperatures.

This year, we will open overnight cooling centers, extend respite hours in public facilities, and coordinate both volunteer and emergency personnel outreach efforts. No person should die in the summer because an air conditioning unit went out or because they are unsheltered.

Phoenix is also a city that believes everyone deserves a fair chance to make positive changes in their lives.

Our new Phoenix Community Court breaks the cycle of involvement in the criminal justice system. Rather than face charges for minor offenses, Community Court participants can receive the resources they need to take matters into their own hands, get back on the right track, and ultimately end their homelessness.

I'm grateful that our Public Safety Committee Chairwoman led on delivering this creative and compassionate program. Thank you, Councilwoman Ann O'Brien.

Since the program launched in January, nearly 100 residents have already received support.

One woman entered the program unhoused, estranged from her family, and battling addiction. The great team at Community Bridges worked with her to obtain all of her identification documents, and she completed two outpatient substance abuse programs. As a result, she regained her Section 8 voucher and landed a job interview. I'm happy to say that because of her positive changes, she is now reunited with her family and on a path to independence.

Another resident was referred to our program after he was cited for trespassing because he was sleeping in his car. A hard-working navigator helped him find shelter and services that made it

possible for him to keep his job. Now, he's matched with a shared housing roommate and will secure his own apartment soon.

Our Community Court is opening doors for people who were locked out for too long. It's making a real difference – and we are just getting started.

I've told you all before that I believe Phoenix is a uniquely welcoming city, one that celebrates diversity and meets people where they are. Year after year, Phoenix has achieved a 100 percent score on the Human Rights Campaign's Equality Index for our LGBTQ plus inclusivity. I'm proud that Phoenix has a strong reputation for accessibility, too, thanks to the efforts of many who have championed improvements to the way we build and operate. But I think there's more we can do to make Phoenix a city that truly works for everyone—from parents pushing strollers to Phoenicians who depend on mobility aids.

Over the last few years, the City has been performing a comprehensive analysis of our public buildings to ensure they meet the latest ADA standards. This is an important effort, but I think our unique brand of innovation can take us to the next level.

I'm proud to announce the development of an ambitious plan to make Phoenix the most accessible city in the world. We are assembling a team of talented advocates who will help us identify priorities and chart the path forward. There is no better person to spearhead this plan than Vice Mayor Debra Stark. Deb, thank you for leading this worthy effort.

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I hope that, by now, you agree with me when I say that Phoenix has arrived...that we are the “it” kid, with a tireless drive to keep getting better.

Decades ago, naysayers from all around the country doubted what could be possible here. Today, the world is looking to Phoenix as a city of the future, where possibility is found in every corner. A Washington Post Opinion Columnist recently called Phoenix a “rising star city”—a city on the receiving end of more capital—and talent—than ever before.

The Wall Street Journal told the country, “opportunity has a new address” in Phoenix.

We are reaping the benefits from years of intentional planning, attention to the right issues, and a steadfast belief in our limitless potential. Phoenix is more prosperous, healthy, and happy than we were decades ago. The state of our city is strong.

If we continue to leverage our strengths...and harness our ingenuity...I know we can rise to the challenges we face. We must and we will continue to rise, for the sake of pursuing an even better future for us all.

Thank you for allowing me to lead this incredible city, my beloved home.

The future is bright in Phoenix, and Phoenix is the future.

Thank you.

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