



**Mayor Greg Stanton**  
State of the City Address

April 8, 2015  
*As Prepared for Delivery*

Thank you Todd, you've been a great friend to me and the City of Phoenix. Thank you for your leadership on the Phoenix Forward initiative and for what you do every day to grow our economy.

My wife Nicole is here. Nicole, you've been an incredible partner throughout my years in public life. A wonderful mom to our two children, a great lawyer and business leader – your community services makes such a difference in the lives of others.

My friend and our city manager, Ed Zuercher, has unparalleled character. You do a great job leading our city's 14,000 committed public servants.

Our Fire Chief, Kara Kalkbrenner, and Police Chief Joe Yahner. Thank you both for leading the efforts to keep our community safe during what turned out to be the most successful Super Bowl central in history. You get it done every day for the people of Phoenix.

Mexico's Consul General Roberto Rodriguez Hernandez, thank you for your friendship and dedication to building a stronger relationship between our city and your great nation.

Our former congressman, Ed Pastor, your body of work is still paying off big time for the people of Phoenix. And Congressman Ruben Gallego, thank you for doing a great job representing Phoenix in Washington.

My great team on the City Council: Vice Mayor Daniel Valenzuela, and Councilmembers Thelda Williams, Sal DiCiccio, Michael Nowakowski, Bill Gates, Jim Waring, Kate Gallego and Laura Pastor. I'm proud to work with each of you over the next five years.

And thank you to each one of you here today for taking the time from your work day to be here. I truly appreciate it.

Four times now, I have, as mayors before me did, come before you to report on the state of our city.

The first time I gave this address there was a feeling of uncertainty in this town about what our future held. In fact, some critics penned the Phoenix obituary – they wrote us off, and said we were destined for enduring stagnation.

They should have known better than to underestimate us. With a steadfast commitment to building a brighter future than ever before, we have emerged from the rubble of the economic disaster of just a few years ago – and today, *Phoenix is on the rise*.

We have learned the lessons of the past decade and are actively shaping an innovation-based, export economy that works for everyone: large companies, small businesses, entrepreneurs, the middle class, and those working their way into the middle class. Not just for those at the top – but for *everyone*.

We are taking control of our own destiny and making wise investments and choosing policies that will pay off over the long-term. We know that our success must not be measured only in the time it takes to get to the next election, but whether we do right for the next generation.

We are rejecting the bureaucratic, “we’ve always done it this way” attitude and embracing the notion that often times, there is, in fact, a better way.

In an era of Washington gridlock and ideological battles at our State Legislature, we are answering the call to put aside our differences and work together to get things done.

Look at just some of the things we have accomplished together in just the past three years.

Together, we have breathed new life into our local economy and we have lifted small business up.

By cutting bureaucratic red tape and creating a 24-hour online permitting system, we earned recognition from the National Federation of Independent Businesses as a top five city in the country for small business. We are supporting local businesses by making sure that when the City of Phoenix spends tax dollars, we shop local. At Sky Harbor, by showcasing the best local restaurants our city has to offer, we earned the title of Number 1 airport in the country for new small businesses.

Phoenix partnered with local health care providers to become only the second city in the nation to pass an Access to Care ordinance. That single ordinance pumped more than \$300 million back into our local economy – delivering life-saving care to our residents and saving jobs.

We are helping low-income children get medical treatment they need but can’t afford. Just imagine the heartbreak too many families face when a child is critically injured or diagnosed with a serious illness, and the parents can’t possibly pay those medical bills. With the City’s Pediatric Healthcare Initiative Fund, which we created last year, we’re helping families in these

desperate situations. We've opened the doors for hospitals like Phoenix Children's to triple the value of private donations by drawing a federal match. Since last summer, Phoenix Children's has turned more than \$16 million of donations into more than \$50 million to alleviate the financial burden of uncompensated care. Our innovative thinking is helping families when they need it most.

Together, we have done more than preach fiscal responsibility. We've practiced it. With the steady hand of Councilman Bill Gates, the Innovation and Efficiency Task Force has made our government work smarter and saved nearly \$100 million.

And despite tight budgets, we tripled our funding for the arts over the last three years because I believe from the bottom of my heart that we can't create a strong economy without a vibrant arts community.

Together, we put the skids on a runaway pension system – fixing problems exposed by the economic downturn. Under the new rules, pension spiking is gone and we will save Phoenix taxpayers \$830 million over the next 25 years. But still, we can do better by both our employees and the taxpayers. So the City Council and I will be sending a measure to the voters this summer to create an even more sustainable system: reigning in the high pay-outs for those at the top, saving an additional \$38 million. With that extra set of reforms, Phoenix will serve as a model for the rest of the country for how to design a smart, sustainable and fair retirement system.

Together, we have built a more inclusive and welcoming city than ever before. Through an unprecedented partnership among the public sector, non-profits, the business community and the faith community, we became the first city in the United States to put an end to chronic homelessness among our military veterans.

We beat back intolerance by passing the state's first ordinance that protects our LGBT and disabled citizens from discrimination in housing, employment and public accommodations. It was not only the right thing to do, but it has been great for business.

We're showing that treating everyone in our community with dignity also means demanding equal pay for equal work. Closing the gender pay gap is good for families, it's good for our economy and with Councilwoman Kate Gallego's strong leadership, we put a common-sense plan to work right here in Phoenix.

Together, we are shaping a more sustainable future. We have to. As the largest city in a desert region, we have a responsibility to lead. I am proud that no city in the United States uses alternative fuels for its vehicle fleet as much as we do here in Phoenix.

I am proud that we're leading the way on solar energy and were recognized as one of the top three cities in the country embracing solar. We already use 15 megawatts of solar for city facilities – and we're about to expand that in a big, big way. Through a public-private partnership with the Town of Buckeye and Arizona Public Service, we are about to put the finishing touches on a 116-acre, 10-megawatt solar plant. And later this year, we will approve a

plan to convert all 90,000 city streetlights into LED lights, cutting energy costs and pollution by more than half.

Over the past year, we have shown that cities can lead the way to secure water supplies. That's especially critical in the era of climate change and continued drought because water is the lifeblood of our local economy.

Two groundbreaking Phoenix initiatives will protect and preserve our supply from the Central Arizona Project and Colorado River.

First, we partnered with Tucson water providers on an innovative effort that leverages Tucson's existing infrastructure to make it easier and less costly for both Tucson and Phoenix to access water in times of shortage.

Second, we created the Colorado River Resiliency Fund so we can continue to ensure a reliable supply of water for our customers even as drought tightens its grip.

But healthy rivers also depend on healthy watersheds, and that is why we will partner with the National Forest Foundation and the Northern Arizona Forest Fund to complete high-priority restoration projects on National Forests in Arizona watersheds.

Together, over the last three years, we have accomplished a great deal. So many people in this room deserve credit and thanks for pushing the ball forward on policies that matter – and ideas that make a difference.

But as proud as I am of the last three years, here's the truth: we're just getting started.

As long as I'm your mayor: We will stop at nothing to transform our economy into one rooted in innovation and poised to compete in today's global marketplace; we will grow our region's exports faster than ever before; we will demand a quality education for every Phoenix child; and we will plan for our future population growth and spur even more economic activity with the most ambitious and comprehensive transportation plan in our city's history.

More than ever before, strong economies are driven by cities that are active leaders in the pursuit and production of knowledge.

Phoenix is stepping up and showing how it's done. We began our efforts back when I was on the City Council, when we secured the land for the downtown Biomedical Campus. We built the space for TGen to open shop. With continued direct investments from the City of Phoenix, we paved the way for the University of Arizona to build hundreds of thousands of square feet of teaching, research and laboratory space. During my time as mayor, we made another investment that will help the U of A and St. Joseph's open the \$100 million Arizona Cancer Center later this year.

How do those investments shape our economy? Well, TGen alone has created 15 commercial spin-offs. In 2013, the entire campus produced an economic impact of \$1.3 billion. And in just a decade, that number will grow to more than \$3 billion annually.

We created that economic output on 28 acres, and we're going to multiply it on the 1,000-acre Arizona Biomedical Corridor up near Desert Ridge. In December, Arizona State University acquired land for its campus expansion and we've already seen \$300 million in investment. Through a partnership of the City of Phoenix, ASU and the Mayo Clinic, this developing campus will be great for our future – and Councilman Jim Waring, I'm grateful for your efforts on this project. I know it will be an incredible success for future generations.

Our work has pushed us to a tipping point – and we're about to see the biosciences and health care fields take off in a big, big way.

Peter Fine is with us today as we share incredible news: Banner Health, Arizona's second largest private employer, is finalizing plans to move its corporate headquarters to midtown Phoenix and put 1,400 employees in our central core. It will invest several hundred million dollars to improve more than 300,000 square feet of space, and convert its current headquarters into a new medical institute with teaching space that will become a part of the Banner – University Medical Center Phoenix. It's a smart move that will save the company up to \$20 million. When it's done, Banner's investment will produce 800 new jobs – good-paying Banner jobs.

Peter, Phoenix so appreciates this major investment and we are proud that Banner calls our city home.

We've reshaped our downtown by adopting the best ideas from our small business owners, entrepreneurs and artists and by partnering with one of the most innovative universities in the world – ASU – creating a brand new university campus of 12,000 students in just a decade. Mayor Phil Gordon, your leadership on ASU Downtown is still paying dividends.

The energy from the campus – we can feel it. Walking, driving, biking or taking the light rail through our central core feels different than it did just a few years ago. No one knows this more than Vice Mayor Daniel Valenzuela, who has worked hard to attract entrepreneurs and other creative thinkers to downtown to set up shop. He knows it's that energy that's getting the job done.

What we have now in Phoenix is a healthy entrepreneurial ecosystem that is empowering co-workers and makers, accelerators and incubators, designers and developers. It's spurring innovation in a way that is contagious.

So contagious that we are getting in on the action too. At the city, in every department, from Public Works to Transit to Streets to Arts and Culture, we are looking for new and innovative ways to better serve you. I know the best ideas don't always come from inside City Hall – they come from our community. They come from you.

To harness our collective innovative thinking, today I am launching the Phoenix Innovation Games – a series of creative competitions that will provide us new ideas and 21st century solutions to tackle difficult civic challenges.

We have brilliant minds in our community who can help us answer some of our key challenges including: How can we use technology to increase waste diversion and recycle more? How do we improve commutes for public transit riders? How can we make public art more relevant and engaging to a new generation? These are just a few of the questions that we will to answer through the Innovation Games – and we’re going to put those solutions to work.

Beginning in May, these games will connect the city to local innovators, universities, leading corporations and non-profit organizations and give us a platform to solve problems in new ways. What we can achieve knows no bounds.

This is just one more way we can show the world that Phoenix is rich with talent. You don’t have to take my word for it. Ask the companies investing in Phoenix.

Uber has chosen downtown Phoenix as the site for its new Global Command Center, bringing hundreds of new jobs to our community. American Express Global Business Travel has chosen Phoenix for its next expansion, and will add 260 high-wage jobs at Kierland.

At I-17 and Union Hills, in a building that has been mostly vacant in recent years, Aligned Energy will make a half a billion dollar capital investment for a new green data center that will create 150 great jobs.

Our focus on forging a leading knowledge-based economy is paying off, even as we know there is more work to do. As those efforts continue, we must also push harder than ever to increase exports to create jobs through trade.

Anyone looking at a map would believe that we already should be a leader in international trade: Geography is one of our strategic advantages. Phoenix connects the Americas. Mexico, our neighbor to the south, has an emerging middle class, a growing economy of its own, and more free trade agreements than any other country in the world. Our Canadian neighbors to the north have been great partners, especially during recent years, investing hundreds of millions of dollars in our region.

Yet, in the wake of the downturn and divisive politics, Arizona was the only state in the country to see exports drop. Our leaders were failing us.

When I took office, I made a personal commitment to turn the tide – to rebuild relationships and, more importantly, to help local companies succeed in the global marketplace. That’s why we set Phoenix on a bold course: to double exports to Mexico by 2020, and to double all exports by 2025.

Already, our collective efforts show results: In 2014, Arizona's exports to Mexico grew by 22 percent. Our total exports grew by 14 percent – double the rate of California. And three-quarters of Arizona's growth has come from Phoenix.

We've been hard at work. Through a partnership with JP Morgan Chase, the Brookings Institution, and GPEC, we hosted an international trade summit to take our region to the next level. We're crafting the region's first comprehensive export plan – and we'll release that plan next month.

We used that team approach to create a permanent presence in Mexico, and I'm proud that my colleagues Councilmen Michael Nowakowski and Sal DiCiccio joined me to cut the ribbon for the Arizona-Mexico City Trade Office last October.

Through the work of the Phoenix trade office, we're already seeing results. Just last week, a successful veteran of Mexico's construction industry relocated to Phoenix to open an office on Camelback for a new company – called CBA 21 – whose primary mission will be to help Arizona's businesses gain the footing they need to work on large infrastructure projects in Mexico.

We're teaming up with local businesses to help them grow. Last year, I announced that Phoenix would become one of the first cities in the country to launch an Export Readiness Initiative to lift companies that want to go from “export curious” to “export serious.”

As a part of this unique initiative, we've helped send Phoenix companies to an export boot camp where they can learn how to take their business to the next level. Our first cohort started class just five weeks ago. Pinnacle Transplant Technologies is among those who signed up. In less than four years, Pinnacle has grown from two employees to 70 with plans to reach 100 by the end of this year. It's a high-tech tissue bank whose cutting-edge products are in high demand in the United States. By breaking into international markets, the company will create even more jobs here, in Phoenix.

This is not a traditional role for cities, to help local companies enter the global marketplace, but in the year 2015 it's a necessity to move our economy forward.

Of course, none of the work we're doing on the economy or trade will matter very much if we fail at our most basic responsibility: to make sure everyone in Phoenix has the skills and education they need to succeed.

Sadly, Phoenix has the highest rate of disconnected youth in the country – one in five young women and men ages 16 to 24 do not work or go to school. That's unacceptable, and it is hurting our local and state economy. Arizona's disconnected youth will put a \$127 billion drain on our economy over their lifetimes. You heard me right: \$127 billion.

*This is a crisis.*

Through the Mayor's Education Roundtable, an initiative I founded with the Helios Education Foundation, West Ed, and a bipartisan group of nine other Arizona mayors, we are exploring new ways to re-connect our youth. Phoenix has embraced the My Brother's Keeper initiative, and we're one of five cities nationwide partnering with Starbucks and the U.S. Conference of Mayors to tackle this devastating problem.

Research tells us that what a child does outside the classroom is just as important as what that child does inside the classroom. After school programs, such as sports and music and theater and science club – they matter a lot. But only 16 percent of Arizona's kids participate in after school programs.

We're changing that with students from a young age. In 2013, we kicked off the Great Start initiative as a small pilot, helping youngsters and their parents have free access to learning centers such as the Arizona Science Center, the Phoenix Children's Museum and the Phoenix Zoo. Last summer, that small pilot program grew – and we were able to reach more than 1,000 incoming kindergarteners and their families.

As long as I'm mayor, Phoenix will continue to lead the way. In the coming weeks, I will form the Opportunity Youth Ad Hoc Committee to unify outstanding efforts already underway and strengthen education opportunities for young people. There's no one better to lead this effort than our resident educator on the Council, Councilwoman Laura Pastor. Laura, you have a big challenge in front of you, and I know you're going to make a difference.

And Phoenix has gotten directly into the education business recently. The City now runs Career Online High School at Burton Barr Library for adults who didn't finish their high school education. It's not just a GED, but an accredited high school diploma. And I continue to chair Degree Phoenix and work with Superintendent Kent Scribner and Chancellor Rufus Glasper to increase the Latino college completion rate. Increasing Latino college completion is critical to our economic future. To help accomplish that goal, it's time that we end a vestige of the dark era of divisive politics in Arizona. It's time that we end a self-defeating policy. Let's grant in-state tuition to those young people who have lived here nearly their whole lives, our Dreamers.

Good schools and a talented workforce are absolutely necessary to put us on track for greater success. But there's one more ingredient: Great cities must have great infrastructure. The right water and utility infrastructure. An Innovation Infrastructure. But especially transportation infrastructure – that, we cannot do without.

In a Valley known for freeways, visionary mayors before me – Terry Goddard, who's here with us today, and Skip Rimsza – fought long and hard to create a robust public transportation system. So have members of the City Council – and there is no greater champion for transportation than Thelda Williams. Fifteen years ago, it was the Phoenix voters who made a leap of faith to build a light rail system.

What a wise decision they made.

Transit has taken hold in Phoenix, shattering ridership expectations, with more people using the rail than ever before: Nearly 1 million boardings at Central Station just last year alone. Nearly a quarter-million people in our region ride public transportation every weekday.

But it's about more than getting people from Point A to Point B. The single most powerful tools we have to drive economic development are quality streets and robust public transit.

We see that first-hand. Since light rail first opened more than \$5 billion of capital investments have been made within a quarter-mile of the tracks just in Phoenix alone. Thirteen million square feet of commercial space, 1 million of education space, and 9 million of residential space. It's helped create 35,000 permanent jobs.

Buildings that lost much of their value are becoming attractive and competitive again. In fact, Banner's investment in its midtown headquarters wouldn't be possible without light rail and neither would so many other projects: CityScape; the revitalization of Luhrs City Center; and much of ASU Downtown.

Light rail is also helping our region handle our upcoming growth.

Here's the truth: our growth won't stop any time soon. We're expected to nearly double our population over the next 30 years. To handle that growth, we need an all-of-the-above transportation strategy that builds more streets, improves the ones we have, as well as expands the light rail and bus system.

To help us craft a plan, we put together a 30-person bipartisan citizen panel chaired by none other than former U.S. Transportation Secretary Mary Peters. She's an incredible leader who knows a thing or two about transportation infrastructure.

Here's what her panel said:

First, renew the funding stream that voters approved in 2000 so we can keep what we have;

Second, invest new dollars toward repairing and modernizing aging streets throughout the city – we need it. That means re-surfacing streets and creating more than a thousand miles of new bike lanes;

Third, help the Dial-a-Ride service reach more people because it is critical to helping seniors and those with disabilities lead independent lives;

Fourth, triple the light rail system and expand bus service to reach more neighborhoods and connect education and employment centers. That's important. Today, nearly one in every four light rail riders is a student. This plan is designed to help even more students have access community colleges and universities: schools such as ASU West, ASU Downtown, the U of A

Medical School, Gateway Community College, Grand Canyon University and ASU Tempe – they’ll all be connected by light rail tracks for the first time.

It is the most comprehensive transportation plan in our city’s history. It’s forward-thinking. It’s ambitious. And the City Council and I will ask voters to approve this plan in August.

Now, we’re already hearing the same old tired arguments from those who opposed light rail in the first place. That the solution is only more freeways. Despite the evidence right in front of us, they say light rail doesn’t work, that there are no economic benefits.

But let me tell you something: We don’t have to engage in hypotheticals. We know the facts. We know that, in addition to the investment along the tracks, we could not have hosted Super Bowl Central or other great events in the first place. We know having a vibrant urban core helps us attract the talented workforce we need. We know a strong urban core is great for everyone: it helps alleviate congestion and the effects of growth in every neighborhood, keeping the quality of life higher for all of us. We know that a mile of light rail is cheaper than a mile of new freeway, and by keeping cars off the road, we will improve air quality.

But most of all, a healthy public transportation system can improve the lives of so many people in our city. People with disabilities can lead more independent lives. Working families, like the one I grew up in, can make a living with one car. And some families can choose one car over two to save almost \$9,000 a year they can put away for a child’s college fund.

Let’s finish what we started 15 years ago, and prepare for our growth with a transportation plan that will ignite our economy and serve working families.

When it comes to transit – and everything else – we’re going to get it done: for working families, for students, for businesses, and for the next generation of Phoenicians.

I love serving as your mayor. It’s the greatest job in the world – and I’ll continue to work harder than ever to create the future we want.

Phoenix is making progress, we’re creating momentum, but that doesn’t mean it’s time to slow down. Just the opposite: We have to keep pushing forward.

Let’s keep building a city that respects everyone. Let’s keep building a city with an economy that works for everyone. Let’s keep building a city with a future worthy of all the people who live here and the generations to come.

We will rise to the occasion. We will do it together. Thank you.

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