



**Mayor Kate Gallego**

State of the City Address

June 13, 2019

*As Prepared for Delivery*

Thank you, Todd, and thank you to the entire Chamber team for hosting us today and organizing this special event.

Before I talk about the state of our city, I want to say a quick word about the state of the mayor – and that means a very heartfelt thank you to my parents. I would not be here today if it had not been for their love and support. Whether it is helping care for my son or being my sounding board, you are the two people who have the biggest impact on my life. I will never be able to truly thank you enough.

I'm thrilled to be here, not just at this event, but at this moment in history. I have the good fortune of becoming the city's second elected female mayor at a time of great change in our city. And although change can sometimes be difficult, I am incredibly optimistic about our future in Phoenix.

I know that so many of you across our great city, the fastest growing city in the nation, feel the same way. We share a common perspective -- our city has its challenges, but we can sense that right now – at this moment – there is something undeniably special happening here.

Today, we gather in a more innovative city than ever before, a city that is getting smarter and more globally connected. Because of the investments we've made, the job market is shifting; wages are rising as knowledge-based sectors grow. We grew technology jobs nearly 50 percent in just five years. We're more sustainable, more inclusive.

It is my privilege to stand on the shoulders of those who came before me and made Phoenix what it is today. I know these leaders would all agree that we're still just getting started and we have a lot more to do. I will need their wisdom and your help to build on what has already been done.

People are drawn to our city because of the great promise that you can write your own narrative. Phoenix has a beautiful history, but it is a short one. In many ways, it is still being written today. People come here to BE something and to make their mark. It is why I chose to

make my home here many years ago. I still remember driving down the I-17 towards Phoenix in my pickup truck. I had my first job lined up and little else in place besides that. And now, I stand before you as your Mayor. This is a path that could happen in few places besides Phoenix.

I've served as mayor for less than three months. And we hit the ground running.

We've added hundreds of new Head Start spots for our youngest residents to make sure they begin kindergarten ready to learn. At Sky Harbor, our city's crown jewel, we've added not one – but two – new nonstop international flights, bringing us more trade and tourism opportunities. And I'm working to push for another direct international flight, this time- a connection to Asia. In Terminal 4, we're installing nursing pods for new mothers to make traveling with a small child just a bit easier. To attract and retain the best talent, we've increased the minimum wage to a livable 15 dollars an hour for every full-time city worker.

I should note that we have also inaugurated two new Councilmembers, who are here with us today, District 5 Councilwoman Betty Guardado and District 8 Councilmember Carlos Garcia. Welcome to you both and happy first week on the job!

These accomplishments build on the monumental successes that our city has achieved together already, including creating a downtown with a new sense of life and more diverse job sectors. We're home to ASU Downtown and the renowned Thunderbird School of Global Management. There are new hotels in places where, once upon a time, it was difficult to secure fresh investment. Adaptive re-use projects are creating new chapters in storied buildings. Our downtown has a renewed commercial center with major events for everyone – from local festivals to concerts.

There is no doubt: The state of the city of Phoenix is strong.

But whether it stays strong and grows even more prosperous is up to us. All of us. The choices we make over the next few months will shape our future – and none is more consequential than whether we will save light rail.

On this stage, with the biggest audience I'll have between now and the August election, that will decide our light rail's fate, I want to speak candidly about what light rail has meant for us, and what it will mean for Phoenix if we go backwards on our public transportation system.

Light rail connects Central Phoenix to Sky Harbor to Tempe and to Mesa. It has brought eleven billion dollars of investment along the tracks and 35-thousand permanent jobs.

Voters were wise when they voted not once, not twice, but three times to support light rail in Phoenix. But a small ideological group wants us to throw out years of economic development and reverse course with Proposition 105. Their plans would jeopardize billions of dollars in infrastructure. We cannot afford that.

The voters have spoken on this. And we're going to have to speak again.

That's why the Phoenix Chamber, ASU President Michael Crow, AARP, Greater Phoenix Leadership, the Arizona General Contractors and many more groups are all standing up to protect the future of light rail – because it moves more than people; it moves our economy.

Investment in infrastructure is an investment in our people and our economy. Think about it: Nearly a quarter-million people in our region ride public transportation every weekday.

To get to work, to get to school, to get to the doctor. And with the new light rail station at 50th Street and Washington, which was designed by and for people from the disability community, we have opened new worlds of opportunity for those who rely on public transit. Thanks to the good work of Ability360, we lead the nation on transit accessibility.

Let's face it: keeping light rail is just common sense. With more people moving to Phoenix, traffic is getting worse. Especially in the central city. Light rail is simply the most effective way to move large numbers of people in finite spaces. Light rail can carry almost twice as many people per hour on Central Avenue as cars can.

The plan voters approved four years ago is about more than light rail. Because of Transportation 2050, this year's paving season will include the most street miles ever paved in a single season. We're adding hundreds of new miles of bike lanes and making upgrades to our street signs, street lights, and traffic signals.

I should note that my mother is the leading advocate for having more lighted street signs and she is very persuasive.

Another equally persuasive advocate for our transportation growth is Councilwoman Deb Stark. Thank you Deb.

And let me say a word about potholes. I hate them. We have filled 20,000 potholes every year for the last four years. If we have streets and cars we're going to have potholes. And we're going to have to fix them. Forever. But, it's not a reason to roll-back our commitment to light rail. We can and are doing both.

Our transportation system should be evaluated collectively, and we need to be thinking about the funding for our future. Voters approved Prop 400, the half-cent sales tax that supports our regional transportation plan in Maricopa County, almost 15 years ago. In 2022, we need to vote to extend this plan.

That conversation must not wait until 2022, we must start today. It begins with us showing that voters want more transportation options and with us working with other regional leaders. The upcoming August election will set the tone for infrastructure growth for the next decade.

Some of you may know that shortly after I was elected to city council, I suffered a seizure while in Mayor Stanton's office. Greg always likes me to remind people that he was not the cause.

Because of this seizure, I temporarily lost my ability to drive. It was easy to get around downtown Phoenix on public transit. Yet, once I had to venture outside of the downtown core, I lived the real challenges faced by those who rely on public transportation.

Many others who advocate for light rail have stories similar to mine. Johnny Hernandez is a South Phoenix native and current resident. Johnny said that public transportation helped him obtain an education that he couldn't receive otherwise because of his lack of a vehicle. It wasn't easy, he took a bus to the light rail and another bus from the light rail to the ASU West campus,

but it provided him a path to a brighter future. This trip will be much easier with the South Central light rail extension.

He now owns a vehicle but still chooses to take the light rail to work every day. He is raising his very impressive young daughter in the neighborhood where he grew up. Johnny is fighting for the light rail extension into the south side to even further expand her horizons. Johnny, thank you for being here today.

Again, the light rail is not about whether you or I ride it every day. It is about making sure that ALL people have an equal chance at success.

The people in this room know that infrastructure can lift our economy. And for those who don't, look no further than Sky Harbor – one of our state's most essential economic engines. This year is on track to be the busiest year ever at Sky Harbor. The airport is consistently ranked near the top in traveler's choice categories. This week, the council voted unanimously to invest 5.7 billion dollars in the long-term success of our airport. There's been no greater advocate for Sky Harbor and all Phoenix Airports than our former Mayor, Councilwoman Thelda Williams.

Speaking of success, there are few in the valley driving our progress more than innovative small business owners.

Despite our city's massive growth, we continue to succeed on the backs of small business entrepreneurs willing to make the valley their home. More than 95 percent of businesses in Phoenix have fewer than 100 employees. How do we make the city a destination for even more businesses?

We push for them. We ensure that businesses aren't waiting a long time for permits and licensing.

I understand the many demands on businesses and dealing with the city bureaucracy should not be one of those demands. That's why I made it a priority, in this year's budget, to dedicate new resources to help business owners navigate the city.

This is a direct result of feedback from local businesses. The owner of the midtown bar, Kobalt, who is here with us today, expressed how daunting the city process can be for new business owners. Charlie Levy, owner of Crescent Ballroom and the Van Buren, told us that even after all his years of doing business at the city, it can still be difficult. Going from department to department, without a navigator, drains time and resources.

They spoke, we listened, and we responded. Getting things done, as you can only at the local level.

Too often in the past we have relied on low-wage job growth to drive our economy. But, after the economic downturn, we learned that, not only did we need to diversify our job sectors, but we needed to lend more support to actively grow high-wage jobs. This was a passion of mine when I worked in economic development before running for office, and it remains a major goal of mine today. Before 2008, Phoenix had approximately 44 percent of our jobs in advanced

industries. Today, we have more than 60 percent and are continuing to grow.

In the past five years, the city of Phoenix has helped 136 companies move or expand businesses here. This has helped create 50,000 new jobs. We have assisted 25 companies in planting or expanding corporate and regional headquarters in Phoenix, hiring almost 7,000 people. The last four years, the metro area has been among the top in the nation for the number of start-ups.

And we have a champion on the council for this smart economic development. Someone who is always looking around the next corner for more opportunities-Councilwoman Laura Pastor.

While downtown has seen massive growth, we are keenly focused on creating employment corridors across the Valley and envision a future where these areas are connected by a valley-wide light rail system. 12 of our 13 employment corridors are outside of downtown. In North Phoenix, we are investing in the Arizona Biosciences Corridor with Mayo Clinic and Arizona State University. This project is successful because of the deep involvement of Vice Mayor Jim Waring. Thank you Jim.

Nearby, we have 'Wall Street West,' with more than 30,000 people working in finance and FinTech. This accounts for the third largest workforce in the nation in this sector. Watch out Wall Street! The BBC projects we will soon surpass New York's Wall Street in the number of financial services jobs.

I have a special place in my heart for Southwest Phoenix, not only because I live there but because, as its former Councilmember, I know how wonderful the people are and how hard they work. The South Mountain Technology Corridor's expansion will drive the future of Phoenix. The upcoming completion of the 202 South Mountain Freeway and the area's strong combination of water, transportation and electric infrastructure, make it the ideal place for job growth. Most people who live in the west valley drive east for work and we can help change that. The city is working closely with landowners and building trades to help support the expansion of high wage employment in the area. I have a great partner in my push to see this area succeed in Councilman Michael Nowakowski.

The city's focus on an innovative future is in large part thanks to our fearless City Manager, Ed Zuercher. Ed, you have been our City Manager for my entire tenure at the city and have done an incredible job of empowering city employees to think big and take risks. Supporting our employees and eliminating the fear of failure is making our city better. I look forward to continuing to work with you for years to come on ways to make our city even more innovative. Thank you Ed.

We are going to need all of the city's best minds to address growing challenges. We have areas of Phoenix that need more attention. Rents are rising and there is not enough affordable and workforce housing for our residents.

Low wage earners maintain a fragile balance in their lives. Any single unexpected expense can send the entire household into crisis, and possibly, onto the streets. The city understands this and has worked on driving more resources to areas such as eviction assistance. Also, working with the Phoenix Municipal Court, we have had 41,000 people through a program that helps people get their driver's license back and pay fines using payment plans that work for them. We all know, the easiest way to reduce homelessness is to stop it before it starts and programs like this work to keep people in their homes.

This is good for housing stability, good for families, and good for our city.

The city can still do more. And we will. Throughout my campaign, I spoke about leveraging the city's considerable assets to do more to bolster our housing stock. We are researching innovative areas such as opportunity zones and looking at the lands owned by various city departments, such as the airport, to determine if they are ripe for housing development. We are creating a new position to bring the city's many resources under one banner and to connect the city with other levels of government to create more housing.

While I have been calling this position our "Housing Czar," with the current state of geopolitics, I may need to come up with a new name.

We must recognize that every city and town should be doing their part to ensure services and housing are spread across the metro area and not just in one small area of one specific city.

We see housing success stories across our community. On my first day in office, I met a young woman through Native American Connections named Monique. Before coming to the organization's transitional housing program for youth, Monique was without a stable home. Despite this, she was *still* working towards getting a dental assistant degree- exemplifying the resilience and tenacity of so many of our community members who are experiencing homelessness.

With a roof over her head and readily available support services, she was able to focus on the things a young person should be focused on- pursuing her education and planning for her future. Monique received her degree and is now gainfully employed in a dental clinic.

Her dedication to bettering her life, despite so many obstacles, is inspiring. Monique, thank you for being here with us today.

We must continue asking ourselves, how are we setting up the next generation, like this young woman, for success?

All students must start somewhere, and we must help to lay that foundation early in their lives.

Our Council is passionate about this issue. And, it's no surprise. Phoenix is the largest city in America governed by a mom-majority.

Currently, one-third of the daily riders on our transit system are students who take light rail and buses to school. This means that schools can take dollars that would have otherwise gone to pay for school buses and reinvest them in the classroom. Growing the transit options for students ensures that even more dollars can go back to our hard working schools and teachers.

Our investment in education is critical. Our research institutions' superior work is attracting even more economic and biomedical investment. Growing our medical schools and bringing more training programs to the valley will tackle a long-standing issue: Arizona's serious shortage of physicians and nurses.

More medical residency spots will keep more doctors in state. Dr. Sarah Coles, who graduated in the inaugural class of the UofA Phoenix Med School, is the perfect example of this. Dr. Coles' first choice for her residency was always Phoenix. Dr. Coles did her residency at Banner-University Medical Center and then went on to practice at Banner. She now teaches at the UofA med school. Thank you, Dr. Coles, for choosing to stay in Phoenix and for joining us here today.

Our city now has more than 3 billion dollars invested in health care and bioscience. This sector will develop 4.4 million square feet of advanced facilities and bring over 7,000 quality jobs in the next few years. And, while it's not a competition, I do want to mention that Houston will only have 1.5 million square feet.

Innovative companies in the valley are rethinking population health, how urgent care works, and how insurance companies work with hospitals. InDispense robotic pharmacy will change the way Americans get prescriptions using automated delivery. Local company, OncoMyx Therapeutics, is working on viruses that can kill cancer cells without harming healthy cells. These groundbreaking companies are at the forefront of healthcare science and are helping to save lives.

If the world finds a cure for cancer, it's very likely that it will happen right here in Phoenix.

Part of our community's health is also the ability to feel safe in the places we live, work, and play.

The people who fulfill that expectation for us – our first responders– are doing hard work, and often facing people on their worst day. Our officers are constantly called upon to make decisions in an intense, compressed matter of seconds. Most often, we are the better for it. Sometimes, we need to look harder at what's happening and why.

Phoenix police officers delivered more than 10,000 mental health patients to treatment centers last year. Our city saw more than 4,000 suicide calls in 2018 alone. Every loss of life to suicide is an unspeakable tragedy. The number I just quoted is tragedy compounded. Among the 4,000 calls are many veterans and young people.

This is an area where I know we can do more to help. I have witnessed up close the devastation that suicide can inflict on a community. When I was in college, multiple people in my small dorm took their own lives. This issue can affect anyone, regardless of income, zip code or background.

We are working on solutions to these complex problems. We've talked to a lot of cities and Mayors to try and figure out what they're doing right. Our neighboring city, Mesa, has been working diligently on this issue. Mayor Giles, thank you for partnering with Phoenix.

Phoenix is putting more money into mental and behavioral health solutions to assist our public safety officers. I want to hire clinicians who can partner with our first responders on crisis response. Both police officers and community leaders agree: police should not be alone on the front lines of behavioral health response.

First responders face a variety of issues in the field. Dementia is a growing public health crisis. Eighty percent of individuals who suffer from dementia live at home and, when these individuals run into problems, our first responders are often the ones to answer the call. In response to the growing number of dementia-related calls, Phoenix Fire, through partnership with groups such as Hospice of the Valley, have done simulation-training with nearly 1,700 firefighters to help them better understand and interact with dementia patients.

I want to thank Tempe for setting the standard on Dementia Friendly Cities. This is due to the good work of Mayor Mark Mitchell.

Phoenix looks to follow your lead. Mark recently lost his mother after a long battle with this disease. Mark, your mother Marianne was a wonderful woman and we are lucky that her legacy will continue in our two great cities. Thank you.

This journey is personal for so many of us, including me. I recently lost my grandmother, who suffered from dementia. I know that Councilman Sal DiCiccio also understands the pain caused by this disease and will be a passionate advocate to make Phoenix a Dementia Friendly City.

We are also working to protect vulnerable individuals from our city's deadly summer heat. The city just launched our most extensive heat relief program yet. 59 cooling stations across the city are open to those who need an air-conditioned respite or water.

My dad always tells me that if I could just do something about the Phoenix heat, I'll be re-elected. Dad, I'm still working on that but at least we are prepared!

There is no question that we must continue to prepare for a hotter and drier future.

I want to harness this challenge and make Phoenix a model of sustainability for cities across the country.

Phoenix is number one in the nation for the amount of solar on city property.

And, of course, our growing light rail system continues to reduce emissions from our biggest source of greenhouse gases, cars.

Water also remains top of mind in all we do. The resiliency of the Colorado River and continuing our partnership with other cities and tribes is key to ensuring that we will have plenty of water for generations to come. I supported the adoption of the drought contingency plan



earlier this year. We still have more work to do. At the municipal level, Phoenix has worked with other cities including Avondale and Tucson to strengthen our regional resilience through innovative water storage solutions. Thank you to Mayor Kenn Weise and Mayor Jonathan Rothschild for helping ensure a reliable and diverse water supply for our thriving region.

We must lay the foundation of sustainability for future generations and I would ask you to think back to how our city emerged.

The Hohokam people dug and tended to canals in the Salt River Valley for more than 2,000 years. They worked together to harness the river and create the foundation for what is now the fastest growing city in the country. We now have more miles of canal than Venice. They planted the seed and, now, so must we.

I have a keen interest in seeing the long-held dream of Rio Reimagined come to fruition. This is the same vision that was pushed forward by leaders such as the late Senator John McCain and Congressman Ed Pastor. To make this dream of revitalizing our riverfront a reality, it will require heavy lifting. It will mean that many people will not get to see the fruits of their labor blossom within their lifetime, but we must start now.

These 58 miles of the Rio Salado pass through eight communities. This means a lot of people from across the valley will need to play nice for a long time and it will be worth it. That is why today I am announcing my plan to create a task force to ensure that there is sweat equity behind these plans. I am a detailed oriented person-visions need plans. The time is now to move this vision forward.

A greener city that is looking ahead, 50 to 100 years from now, isn't just about sustainability, it is about quality of life.

Everything I have talked about today is important, but we must not forget the intrinsic "feeling" the "force" that brings people to our great city. I'm talking about our arts, our parks, our vibrant culture, and our strong bend towards equality.

Our arts and culture communities continue to be an economic engine, with multiple live arts events every night and award-winning exhibitions. Sky Harbor and our South-Central light rail extension will soon showcase exciting new arts investments featuring local artists.

As we transition to our future, we must remember our past. The many examples of preservation and reuse of historic buildings across our city, such as the home of Galvanize in the Warehouse District, mean that a part of our past becomes a part of our future. This year's budget has dedicated resources to proactively identify more historic preservation opportunities like this.

Our diversity is also a major draw. Our vibrant LGBTQ community has done so much for our city. In passing the city's anti-discrimination ordinance, we let these individuals know that we stand behind them and their right to feel safe in our community. Phoenix is currently in court fighting those who seek to bring down this ordinance. We are confident that we will claim victory in our pursuit of equality for all.

Many of our amazing programs are born out of our library system. As the mother of a two-year-old, libraries are an actual refuge from the storm on triple digit summer days.

We all remember our first time entering a library, the smell of book pages and the possibility it held. But, there is another proposition on the August ballot that seeks to slash funding for areas such as libraries and after-school programs. Prop 106 is an investment cap initiative that will ensure the city can no longer invest in our future. To get this funding back once it is cut will take generations. We must not let this happen.

A small group of special interests continue to try and chip away at local autonomy and we need to stand together to show that the most effective form of government is LOCAL government.

The same groups pushing this initiative have long tried to use Phoenix as a proving ground for initiatives that they want to run in other cities. Our great city cannot be the lab rat for these entities. We must stem the flow of dark money into our state and we need the state government to help.

Too often, dark money has been used to cover the tracks of those in the political shadows. Last year, with 87 percent of the vote, Phoenix voters successfully passed a dark money charter amendment. We eagerly wait for this amendment to become city law. In the meantime, Terry Goddard's ballot initiative aims to shed light on who is spending political dollars and I fully support this initiative.

Spend all the money you want but be ready for a paper trail.

I am deeply humbled to stand before you today, offering you the Mayor's State of the City address, my mayorship is reflective of changes happening across our city and our country. Phoenicians want to see themselves reflected in their elected officials.

I want our residents to look to City Hall and to see solutions to their problems. I want them to know that their elected leaders hear their voice. Phoenix is a place where you can be anything you want. I want that promise to hold true for all of us.

I am sure that no one who drove past my beat-up pickup truck on the freeway many years ago took me for anything other than another person coming to Phoenix to make her own destiny. And that's exactly who I was. I want to give others that same opportunity at success.

I leave you with this: I cannot do this alone, any of this. I need your help and the backing of all Phoenicians to make this happen. I want to thank you for your time this afternoon. Our city's future is bright, and we are only just beginning. Thank you.

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