

State of the City 2010

Taking Care of Tempe

Thanks to the Tempe Chamber of Commerce members and Chamber staff who put this event together.

I'd also like to thank Edward Jones for its generous support of the Chamber of Commerce and this event.

We are again coming together early in the fiscal year. Given what is going on in the economy--or better, what is not going on--I consider this my opportunity to speak about what we're working on to prepare us for the NEXT fiscal year and beyond.

I would like, again, to talk in terms of Tempe as the model for Sustainability, and for the seventh year, remind you of our community's goal to achieve a three-part model of sustainability: environmental, cultural and economic. This year, I will point to some very specific examples rather than re-paint the bigger picture typically seen at this presentation. I will share with you some of the victories of the last year, and point out some of the challenges or, better considered, "opportunities" that are coming AT us and TO us in the future. I note that, at your place this morning, and on the City's website page associated with this address, is a compilation of the major challenges faced, and accomplishments achieved, by our City organization.

Although I am the Mayor of Tempe, I would discourage you from seeing our community only within its borders as a single city; instead, view it in its context of this region, this state, even in the national and global context. Our city is located in the middle of one of the nation's largest metropolitan areas. We are connected to one of the world's largest airports and our city is home to one of the world's largest universities. Our residents speak many languages and come to us from many countries, as do our visitors, whether here to conduct research or to compete in our athletic events. We are a global, cosmopolitan city in every way, and our brightest future is built on that legacy.

No one will say that 2010 has not been challenging. This has been a year of reorganization, of tough economics, and doing more with less. Unemployment is still high throughout the nation. Tempe is affected by the state and federal governments, and even the world economy, yet, we in Tempe are responsible for our own success. We are masters of our own destiny.

It is in Taking Care of Tempe that we can emerge from these times with prosperity and good fortune. To me, taking care of Tempe means: (1) Taking care of our unique environment—we find ourselves in a modern, urban city poised in an arid Sonoran desert; (2) Taking care of that special community culture or "vibe" Tempe has, which includes taking care of one-another, our past and the elements that set this

community apart from others; and (3) Flat out, taking care of business, and by that I don't just mean our corporations and storefronts. I mean *OUR* business – what is our community's that supports all three features of Sustainability.

Taking Care of Our Environment

Many talk about their surroundings, their environment, with a wistful, hopeful tone that someday something might be done. Well, Tempe city government continues to undertake, and supports our residents' and business efforts, to reduce our impact on our surroundings and the greater global environment.

Simple examples may make the point best. We continue our recycling program, now a decade old and booming in popularity. So far this year, for example, we have recycled 33 tons of latex paint, 8.5 tons of automotive fluids and 3.7 tons of batteries. For every ton of material that can be recycled through our blue barrels, the City saves \$26 in land-fill fees AND is paid for the effort, currently \$28 per ton for the recycled material. We are re-launching our green-waste recycling program in the coming months.

We STILL run our entire bus fleet on Liquid Natural Gas and Compressed Natural Gas propulsion, reducing Tempe's – AND our nation's – dependence on foreign oil. And we are replacing 2,000 sodium street lights with induction lights, reducing energy use by 35-50 percent and greenhouse gas emissions, as well as lowering maintenance costs—these lights will last for 20 years, as opposed to the 3- to 5-year lifespan of sodium lamps. By doing something as simple as replacing a light bulb with a more cost-effective one, we are able to conserve resources to provide better services to our Tempe family for two decades.

Sometimes our efforts to improve environmental sustainability touch on our community culture and its diverse, wonderful history. Just last month, I was able to be part of the Tempe Historic Preservation Foundation's fundraiser for the Eisendrath House; this house has a significant role in Tempe's longstanding history of diversity. Rose Eisendrath was Jewish, and so when staying in the Valley, was blocked from staying in the area's "restricted" resorts. So Rose built her own home, hiring the architect of the restricted Jokake Inn. The home is constructed of adobe, which, when cared for properly, can last forever. This project will return life to the building, and it will serve as the offices for Tempe's water conservation programs. Those programs will help Tempe and Valley residents learn how better to live in this Sonoran desert, the area surrounding the home will show off beautiful, low-water landscaping and other features that can support our lifestyles in more sustainable ways.

The Eisendrath will be the second adobe home that is included in the Carl Hayden Campus for Sustainability, part of Tempe's Papago Park. The first adobe home is even better known because it belonged to Justice Sandra Day O'Connor, the first woman to serve on the US Supreme. I'll let Justice O'Connor to explain to you why she loves this City.

[Watch a video greeting from Justice Sandra Day O'Connor](#)

In past State of the City speeches, we have acknowledged the unsung heroes of our community. Part of Taking Care of Tempe is bragging a little. We are a global city with world-class people. Some of the most renowned people **in the world** care about this community and are involved in what happens here.

Taking Care of Tempe's Culture: Our "Vibe."

Certainly the Eisendrath and O'Connor houses represent efforts to build a more environmentally sustainable community. But they also point to the culture of Tempe. Our unique "Vibe." Recently the Council and senior staff met to start the conversation about what makes Tempe unique. This is the means to identify what is important to our community and its future so that the City government can focus its resources and efforts on sustaining those features. It is a tough question: Tempe is.....

My answer: Tempe is contradictions. Our unique culture exists because we tolerate, nay, we celebrate these contradictions, features that are at complete odds with one another. For example, we want a vibrant Mill Avenue that attracts unique businesses and people; we want to enjoy the scene and people-watch; yet, we get annoyed at the "unusually" colorful tattooed wonders, and loud, bull-horned squawkers who are also attracted by the crowds and seek the same scene. Again, just one example. I'm sure you can think of others.

Most of the time, though, we accept and respect those who are different from us, sometimes quite different, and move on. And in that context, we take care of one another, including those homeless panhandlers who sometimes get overly aggressive in their requests for help. So volunteers of I-HELP continue to reach out to the homeless in Tempe, offering food, clothing and shelter, among other assistance. Such volunteering spirit in diverse activities are an essential ingredient to this Tempe Culture. Volunteers with the Friends of the Center for the Arts continue to stage community-oriented performances at the TCA, the Veterans Foundation is working to raise money for the Tempe Veterans Memorial in Beach Park, the American Legion volunteers just put on, with the help of Casino Arizona, another wonderful Veterans Day Parade, our Kiwanis Clubs mount the Independence Day Fireworks Spectacular, and host the Festival of Lights Parade, Sister Cities put on another Oktoberfest.

As another example, because our budgets are considerably tighter, and because our community still recognizes the importance of our neighborhood parks, together, we have launched an "adopt a park" program to help maintain the appearance of those parks. This effort, too, will depend on volunteers. All of these volunteer efforts prove our residents are the true creators of Tempe's unique culture.

The sometimes edgy culture of our City requires a forward-thinking commitment to ensuring the safety of this very diverse community that is our home. For that we turn to our public safety departments, police and fire, which continue to improve and do so

with less. Our sense of community relies on a basic premise that this is a safe place to live, work, play, go to school, have a business and raise a family. Our police force, under the leadership of Chief, Tom Ryff, has built on a strong tradition of great policing to achieve even greater results. We continue to see an overall decrease in the most serious crime. In fact, the crime rate remains the lowest in over two decades. When we compare 2005 to 2009, Part I (the most egregious) crime is down 26%. When we compare last year to this year, we see that violent crime is down overall by 11.0%. And property crime is down 8.1%.

Are we satisfied with these numbers? No. One homicide, one sexual assault, is too many. But it is clear the men and women of the Department are getting significant, visible and measurable results. Just last week as a result of diligent and impressive police work, two suspects were arrested in the robbery and murder of 21 year old Zachary Marco. The same determination and professional commitment that led to the arrests in the Marco case will, I am confident, bring to justice those who prey on ALL innocent victims in our community, including the violent criminals who murdered 21 year old ASU student Kyleigh Sousa.

The attention and focus our entire community gave to the tragic loss of these young people highlights another of Tempe's cultural features: a commitment to our youth. It should not be surprising that Tempe was awarded for three years in a row the title of one of the nation's best cities in which to raise children by America's Promise Alliance. Such a strong showing that, essentially, the organization retired our "number."

Within that focus on youth are programs unique to Tempe, although we hope not for long: Our entire transit system, which includes the buses, neighborhood circulator system, light rail and, we hope soon, the modern street car—the total transit system—allows young Tempeans to use the system at no charge, as long as they are in school.

That focus on our young Tempeans continues with robust library services, after-school programs and recreational opportunities. Yes, in this tight economy we've had some increases in fees, a few library hours cut back and we had to move swimming programs from one pool to another a couple of miles away. But with only a few small adjustments, our programs have continued. In one case, our youth sports programs also folded into our efforts to preserve some of our cultural history; we were able to blend a spirit of charity and the community history in Tempe Beach Park with the contributions of a sporting legend. But let me let someone else tell you a bit about it, someone who can make the point more meaningful for you.

[Watch a video greeting from Luis Gonzalez of the Arizona Diamondbacks](#)

Taking Care of Business

We still have tough issues to face. Beginning in early 2008, the economy began to cool. Fortunately, we had conserved some resources during the preceding "good" times and nearly doubled our reserves. As the economy slowed we acted fast and

prepared in the Fall of 2008 to cut our budget to eliminate between 75 and 100 positions, totaling more than \$9 million. By early 2009, we saw continued economic decline in the world, the nation, Arizona and Tempe. So we cut further, and ended up cutting 112 positions and reducing total spending by \$18 million. Still, the downturn continued – and now the trouble was aided by some policies from the Arizona Legislature that significantly hobbled the entire State – so we began work again. Over a six month period we established a budget approach that, when combined with the prior year’s cuts, resulted in the City’s budget and staffing having been cut by 17%; with 264 positions eliminated.

And the approach harkens to Tempe’s culture, which supports conducting these difficult decisions in the public arena; the last two budgets were prepared in the most transparent processes ever used by Tempe or any other city in the State. Residents, visitors, business owners and Tempe staff were encouraged to participate in several forums and tell us what was important to them. Those priorities were an important part of our budgeting process. Tempe employees who remained participated in the budget belt-tightening, agreeing to cut wages, benefits or time-served to save five percent in employee costs. Those savings were then poured back in to preserve sworn police and fire positions.

And Tempe voters made the decision to pass a hotel bed tax and a **temporary sales tax** to provide additional money to fund services deemed necessary. We promised to be good stewards of this money, and we have been, tightening our own belts and using it responsibly.

There are some signs that the bleeding has stopped and many sectors of Tempe’s economy are beginning to recover. Retail sales tax has increased in the first four months of this year by 5.9%. Unfortunately, the greatest threat to Tempe’s revenues is now posed by our State.

The state budget is terrifying to me as a policy leader. In 2008, the then-governor and Legislature passed a budget that was \$2 billion out of balance. Their successors then dallied for months and then failed to make the systematic changes that would permanently have saved the State significant funds. In the next year, more temporary “fixes” were applied and so, now in 2010, we find ourselves half way through the budget year and the State’s budget is likely at least \$1.2 Billion out of balance, with only seven months to go. And yet NOBODY is leading to address this issue at the State level.

Now some Legislators are drawing a bead on revenue intended for cities. For decades, the State and 84 municipalities have lived under an agreement that set the State up to collect certain revenues on behalf of all cities. Decades ago, cities agreed to give up the power to levy certain taxes in exchange for a share of state-wide income and sales taxes. In a few recent years, certain legislators have argued that the state should abandon that arrangement and merely keep all the revenue to balance the state’s budget. This is a horrible proposal.

We already must prepare to trim approximately \$5 million in expenses to bring our budget into compliance with our reserve policy. If the Legislature seeks to balance the State's budget on the backs of cities by going after these State-Shared Revenues, it could mean Tempe would need to cut up to \$16 million more in city services.

As a leader among cities, Tempe has done the hard work to balance its budget. The State should not correct its fiscal failures by siphoning money from Tempe or any other city. I ask all of you to contact your State legislators and remind them that a deal is a deal; Cities already have taken cuts in the shared revenue as those revenues have fallen. We've dealt with those reductions. It is wrong to take part of the city-share of revenues so the State officials can avoid the difficult work to fix the state budget deficit. If the State officials take this funding from the cities, they will be making a direct assault on, and taking from all city residents, the important services—police officers, firefighters, library hours, recreation and after-school programs—that serve most residents of Arizona.

Back on our home front, we also have to keep in mind that, notwithstanding the slight recovery in retail sales and the associated sales tax paid to the city, the construction and commercial property-rental markets remain weak; both of these segments are important to Tempe's annual tax collections. Yet even in these segments there are good signs. Tempe remains in the center of the valley, convenient to everywhere, great infrastructure, minutes from Sky Harbor, freeway access, light rail, heavy rail service to move goods, and the amenities to support employees with schools, recreation and a fabulous quality of life.

As one example, in June of this year, Paul Allen, a founder of Microsoft, purchased Tempe Gateway, the just-finished high rise at Third Street and Mill. It was Vulcan Real Estate's first investment outside of the Pacific Northwest. In a couple months, Limelight Networks will be moving in. This building is one of the first that really connects the Mill Avenue and Town Lake areas, especially as ground floor retail is added.

Having someone like Paul Allen, one of the savviest businessmen in the world, and certainly someone who knows a good deal, invest in Tempe is something of note. Here's someone from Vulcan Real Estate who can tell us more:

[Watch a video greeting by Ada Healy of Vulcan Real Estate](#)

As I said earlier, while what happens in the state, the nation and the world affects us, it is up to us to take care of Tempe. Fortunately, we are finally being appreciated for the quiet, great, forward-looking planning that is helping Tempe emerge from this economic downturn first. Vulcan saw it early on. Others sometimes only see the "end" of the story and are amazed. Let me give you one example.

Taking Care of What's Ours

Returning the water to Tempe Town Lake.

As you remember, on the night of July 20th of this year, one of the rubber bladders holding back the water of Tempe Town Lake ruptured. This could have been tragic in so many ways. Yet quite, careful, forward-looking planning made a huge difference.

For the public's safety, we had an emergency plan in place dating back more than a decade. That plan was executed exactly as it should have been. Our community partners played their parts like professionals. Helicopters flew the river bottom to be sure nobody, including transients who may have chosen the Salt River bed as an "urban" campground, was in the path of the flowing water. We long ago had moved the barrier buoys farther away from the down-stream dam to be sure that, in case a bladder failed, anyone on or in the lake would be protected.

But then, once the water was gone, we put into action a plan that had been launched more than three years before. What, you didn't hear about this? Not surprising because while we worked on the program for the first three years, nobody cared. It was all documented and voted on publicly, but it is the dull work of government and your elected leaders that makes the difference, a lesson from which State leaders might learn.

It was back in 2007, that the Tempe City Council began discussion with Bridgestone to replace the bladders. Some of us had remembered the promise of a 30+ year life span that never quite squared with a 10-year warranty. We monitored the bladders carefully and noted that they were showing signs of deterioration that signaled the life-span would fall significantly short of 30 years. Through those discussions we were able to hammer out an agreement that was voted on in a public council meeting, passed and signed in May, 2009. That agreement committed Bridgestone to replacing the bladders at no cost to the city.

Now manufacturing these giant rubber dam bladders takes time, Bridgestone lived up to its word and started engineering and manufacturing while the City started the work, in December 2009, to prepare for the installation. The plan called for our contractor to erect the City's coffer dam, yes, the city owns a coffer dam for the Lake, behind a bladder segment, pump out the water between the rubber bladder and the coffer dam and remove the old and install the new bladder. This would be done four times until all four old bladders were replaced.

And then the rains came. We had to delay everything until June, and even redo some of the work that had already been done. By July 20th, two of the rubber bladders had already been delivered to Tempe and were waiting for replacement process, the third was being loaded onto a boat in Japan for shipment to Tempe and the fourth was going into manufacture.

On July 21st, the crews at PCL Construction were going to begin erecting the crane in the river bottom. Had this been during working hours, as many as 12 people could have been in the river bottom and could have been hurt when the bladder ruptured. Thank God, no one was.

Within just a couple hours of the break, Tempe officials had come together and decided that if the lake was to empty, we would move with speed, utmost safety and efficiency to get the lake reopened for boating, swimming and enjoyment. We worked with the Arizona Department of Water Resources, the Flood Control District of Maricopa County, the Army Corps of Engineers, PCL Construction, Stantec, Salt River Project, city of Tempe staff and many, many others to do a job that was scheduled to take more than a year in just – 91 days. They worked long days – 16 hours a day, six days a week in some cases.

Many say that government is slow or doesn't care? That might be true in other places, but **not in Tempe.**

I would like to acknowledge a few of the crew members of PCL Construction and the Salt River Project Watermaster who could be with us today. I would like them to stand and be commended for their hard work. They are: Max Hernandez, Adam Gordon, Doug Schmits, Mike McKinney and Mark Gardner. Here is that work for you to see.

[Watch a video showing the refilling of Town Lake](#)

But where do we go from here?

The community shouted to us these last months that Town Lake was valuable. You told us that you love the view of the water when you are driving home or need a place to take the stroller. You told us that you love rowing and sailing and that the view out your condo window just wasn't the same. You told us that the special events and economic impact are important to you.

We are building a pedestrian bridge over the top of the west Town Lake dam to shade and cool it. This will help prevent the problem we had this summer from happening again.

The same crew that rebuilt Town Lake is working on this project.

We now must make our decision on what technology should permanently be deployed for Town Lake. Please don't send anymore emails that we should just pour a concrete barrier. Anyone who understands the Rio Salado Project, or at least does a few minutes of research knows that ANY system used for Town Lake must be able to be removed from the river channel in short order. The Salt River bed remains an active flood channel. The inflatable rubber bladders deflate and lay flat against the ground during such a flood, as they have done already, allowing flood waters to pass through the lake area and downstream.

But we will approach this problem the way it should have been from the get-go: We are examining all the technologies available—steel gates, lock-style gates and yes, even rubber bladders—to see which system will be most cost-effective for the long haul. We need to examine not only initial construction costs, but annual maintenance charges, and replacement costs, all over at least a 60-year period. We need to plan for the future that our children and grandchildren will be here to enjoy, not just for a quick political success. The new system must be reliable, safe, and cost effective for the long term. We have done some homework on this, but we want to see what else is out there. Students helped design the concept of the Rio Salado Project. We may go back to them to see what new technology exists.

This is the best of government – the ability to look ahead, to see where the problems might be, and to solve them for the good of everyone. Before anyone notices or needs to. This is what we did for three years; this is what we did all summer long; this is what we will continue to do. We will do this work without fanfare, with quiet competence and professionalism to take care of our Environment, our Culture, and our Economy. We will do this work so we can bring forth the brightest future for this great Arizona city.