

State of the City Address

By Tempe Mayor Hugh Hallman

Tempe: Beyond the Horizon

Thank you, Dave, for that generous introduction, and thank you to Edward Jones for its generous support of the Chamber of Commerce and this event.

I also want to make special note of the wonderful support provided to the City of Tempe over these many years by the Tempe Chamber of Commerce. Certainly Tempe is better for their efforts. So I would also like to thank the Chamber's staff for their hard work.

Specifically, I'd like personally to thank the Chamber's long-serving and extraordinarily competent President, Maryann Miller. I first worked with Maryann in 1994; she was then the Vice President while I served on the International Business subcommittee. It was clear then she was making, and would continue to make, a significant impact on the Chamber and Tempe – and to this day she has continued that leadership. I want to take this moment to say a hearty “thank you” to Maryann for her service.

During the last eight years, I have used this speech to inform you about the state of your community – what is right and good, what needs work and where the community needs to come together to make informed decisions about the future. The last eight years have swung a huge economic pendulum. Tempe saw incredible successes in the mid-2000s, more so than most other Arizona cities. Along with the rest of the country, however, that changed in 2008.

But in less than two years, Tempe eliminated 264 positions and reduced total spending by \$60 million, cutting the city's budget by 17 percent. Our Human Resources Department now has the charge of finding ways to make the most of our employee base, some of whom are perhaps doing work they've never experienced before and helping them to excel.

As tough as times have been and while there is still work to be done, we can be proud of the actions we have taken to sustain our city. I vowed last year Tempe would be among the first of Arizona's cities to recover from the down economy and this year, I can say that is true.

The Brookings Institute showed the Greater Phoenix Metropolitan Area is in the bottom 20 in our nation for economic recovery; Tucson isn't much better.

But comparing Tempe's numbers, we are doing better than our surrounding communities, and in some cases, better than the nation. Our city's revenue increased 6.6 percent in the fiscal year ending in June over the year before, and for the current year another increase of another 3 percent already has occurred this year over that prior growth.

Meanwhile, our crime rate is down. We are at the lowest crime rate we have been in the last two decades. Take a look at the chart – rapes, robberies, arsons, and assaults, all down. That is due to our outstanding police department and its great leadership and staff at all levels, and

their work to prevent crime and catch perpetrators. Our courts have streamlined their processes to ensure people receive justice faster and with less expense to our city as well.

Joining the efforts to keep our residents safe while reducing costs, our Fire Department has added a smaller, more maneuverable pumper truck that conserves fuel while getting to emergency calls more easily.

Tempe's vacancy rates are stabilizing and improving across all sectors of available business space---commercial, industrial and retail. In fact, retail vacancy on Mill Avenue, at just 8 percent, is among the lowest in the Valley.

There is no more restaurant space available. You can dine at more than 70 places, including NCounter, Grilled Ave Teriyaki House and Mellow Mushroom, all of which opened just this year. We have more restaurants in one area than any other restaurant row in the Greater Phoenix Metropolitan Area.

Mill Avenue is not the only place where we want to see low vacancy rates. We want to improve the shopping opportunities and appearance of strip malls throughout our community.

In the coming weeks, our Community Development Department will present details about a new Storefront Improvement Program. The Program will provide assistance to strip mall owners in hopes of helping them fill their empty stores, which will improve the look and safety of neighborhoods. If Council decides to move forward, staff will begin looking for the first beta site. About \$100,000 is being targeted for this year.

Unemployment in Tempe is a full percentage point lower than that of the Greater Phoenix Metropolitan Area and about 1.5 percent lower than our nation's. We brought about 2,000 new jobs to Tempe this year, many of them high-paying engineering and tech positions thanks to the Economic Development team in our city.

Development is returning at a record rate. In Tempe more than nearly 2,500 multifamily units are being completed. Perhaps the most visible of these projects is West 6th, which some remember as Centerpoint Condominiums.

This is a miracle project, according to many. When the project went bankrupt, some said it should be torn down. It was an eyesore that would never be finished. But because Zaremba and Kent Chantung decided that Tempe is a city worth investing in, today one tower is fully occupied and the second tower opens next week with nearly half of the apartments leased. Let's hear from Kent about his faith in Tempe.

Watch a video about West 6th: <http://www.youtube.com/watch?v=f0EkBfrQwZ8>

Kent Chantung is here today. Kent, could you please stand and accept our thanks? Zaremba is an example of a company that gets Tempe and understands who we are. It's one of the reasons they chose to build here.

Tempe boasts a diversity of people, language and traditions that have blended into a special mix. The outside forces that created Tempe's current landlocked condition more than 40 years ago have helped to preserve our cultural heritage and sense of community.

Other Valley cities and towns, years ago, enjoyed similar character and connectedness, but many cast it aside because they viewed geographic growth as a most important lodestar to pursue. Tempe, even without the assumed incentive of sprawl, continues to welcome new residents and new businesses to join our community and experience our inclusive cultural heritage.

I believe Tempe's heritage and sense of community remains, among other reasons, because a prior Council made a decision NOT to annex more land; NOT to dilute the essence of Tempe by such expansion; NOT to do as all others were doing at the time. This "accident" of history was hard-fought then among the Council members. But those Council members refused to allow disagreement to divide the community or the Council, and the discussion led to a choice I continue to view as one of the most important in our city's history.

That decision allowed, perhaps FORCED, Tempe's leaders in the following decades to focus on building this community's economy without the Ponzi scheme of growth-by-sprawl while ignoring charlatans luring us to try to create a perpetual motion machine where construction brings on more construction. Instead, for several "generations" of the Council, we have had to lay a foundation and build the community's economy by highlighting what makes Tempe special.

Such efforts have required Tempe leaders to look further into the future than the leaders of many other Valley communities; doing so has propelled Tempe forward by the necessity of anticipating challenges, crafting solutions that fit Tempe's unique circumstances and preparing our community to take advantage of the greatest opportunities the future could offer.

Tempe, at its core, is an urban, vibrant city. The downtown dates to the city's founding, and our prior leaders had the wisdom to maintain and build upon the downtown's character as an active, densely-populated, dynamic business center with entertainment and retail elements that both draw upon our history while reinforcing it.

All this effort, while done in the name of economic vitality and sustainability, had as its end the purpose of enhancing and maintaining a quality of life for all our residents in the neighborhoods that provide the homes to which we return each day to unwind, find peace and enjoy our families and friends.

This mind-set of leadership requires we keep our heads high, with eyes looking forward and minds fully engaged, so we may see beyond the horizon.

While some others scramble to "copy" what Tempe has done, in hopes of capturing some of Tempe's success and "sense of place," we must remember we cannot rest on past formulas, "tried and true" slogans, or former victories. We must actively seek out the opportunities of the future that are consistent with Tempe's foundational character, history and culture. We must not

risk Tempe's unique character by either blindly following others' choices for the future OR standing where we are.

We risk stagnation, degradation and decline if we stand frozen by the multitude of choices and the magnitude of decisions thrust upon us by a fast-moving and ever-changing future. We must look beyond the pressing needs of today toward an ever-fixed goal of becoming the best Tempe possible, a Tempe that is true to itself and its people.

We must continue to elect leaders who are prepared to examine the future possibilities thoughtfully, identify and reduce risks that such possibilities present, and who then take action to keep Tempe on the cutting edge.

Let me give you an example that worked in many ways and failed to meet this test in other ways.

It was a little more than a year ago when we completed repairs on the Town Lake Dam and refilled Town Lake. A review of this project's history allows us to draw lessons from our experience. Recall, the Rio Salado Project was first discussed in the mid-1960's. In the 1980's the City took up the project in connection with many others in the Valley and it was placed on the ballot in a county-wide election.

The proposition was defeated. Yet if Tempe voters had been counted separately they PASSED the proposition, if only by a small margin. Why did the Project make more sense for Tempe than in other areas? Because it FIT Tempe's unique circumstances and was a solution proposed for TEMPE's challenges. It was exactly the challenge placed before ASU architecture students by Dean James Elmore and other professors.

The essence of the challenge was this: The Roosevelt Dam and the other dams built later dried up the Salt River that, until then, had been a vital part of Tempe.

In our early days, residents used the area along the River for recreation, family picnics – why do you think they called it Tempe BEACH Park. It was even used to power the original business idea that resulted in Tempe's founding, the Hayden Flour Mill.

The River's loss resulted in an ugly scar through our community and divided Tempe's downtown from its greatest recreational assets, the Salt River and Papago Park. Every community along the Salt turned away from the river. In Tempe's case, people built south of the Salt River and then jumped the scar and continued a mile north of the ugly river bed, north of Curry Road.

This left a huge swath of land, about one seventh of the land in our city, to remain fallow, stagnate, and then deteriorate. The riverbed became a dumping ground, adding ugliness on top of ugliness.

With the historic relic of a scar, Tempe moved forward with the concept of a project that would return this large tract of land to productive use and, by the early 1990's, prepared a

financing plan that provided a basis for building the project while protecting the City's taxpayers.

That plan was forward-looking, identified likely risks, made allowances for those risks, and provided a means to pursue the Rio Salado Project in Tempe.

Then politics got in the way. As many in our community sought to support the project and follow the Plan, others successfully argued that patience was not required and they pushed the project forward while ignoring the financial and structural obligations required by the Plan. Anyone who disagreed was labeled a "naysayer," "anti-Project" and even "Grumbling Goobers."

Both sides were partially right, of course, as we can see from hindsight. The Rio Salado Project has been and will continue to be essential to Tempe's future. However, remember, it was just a year ago we celebrated refilling of Town Lake only three months after a rubber bladder burst.

Some were surprised by the dam's failure; others were surprised by the quick action taken to solve the problem during the summer of 2010.

They were surprised because few people paid any attention to negotiations begun with Bridgestone/Firestone in 2005, just five years after the lake had been filled. Not many noticed the contract we completed in 2009 requiring Bridgestone to replace those bladders at no cost to Tempe. But that is the definition of the leadership I am describing here.

Today, we need continued strength and forward-looking leadership as we explore the options for dam technologies. We have just four more years to design and build a system that protects us from flooding and preserves our lake, an obligation left to us from our past.

Yes, it took foresight to recognize the Rio Salado Project uniquely "fit" Tempe's challenges and historic character. It took foresight to pursue the Project and initiate River channelization and construction of the necessary infrastructure.

And it took foresight to see the recreational and economic opportunities the Project could deliver to our community and the region. But it also took insight to identify the financial and operating risks a project of this magnitude posed for our community, to negotiate that new agreement with Bridgestone in ADVANCE of the dam burst, and to save our lake and the economic benefits it brings.

The lesson is clear: It is not enough to be a creative "dreamer of the day;" one also must have a questioning mind, searching for the risks, and identifying "unintended consequences" that too often seem to be overlooked by those in government leadership. In short, we more often must "plan for the worst," and recognize that "the best will take care of itself."

As one example, our Public Works Department has instituted a "life cycle" costing approach to all our city's infrastructure, not just to the Lake and its dams – this approach would have been helpful in planning and executing the Town Lake project more than a decade ago.

That new approach is exceptional in city governance, but it should not be. Regardless, it remains our job to solve the challenges, however unintentional, left to us from the past.

So just last month, for example, we celebrated the opening of the Town Lake Pedestrian Bridge, which gives runners, bicyclists and people out for a stroll a means to circumnavigate our lake. Also, it remedies one of those ‘unintended consequences’ left to us by our past, by cooling and shading the dams. Take a look at one beautiful solution to a problem that remained to be solved.

Watch a video about the Town Lake Pedestrian Bridge:

<http://www.youtube.com/watch?v=TXJ8FESBt8U>

This bridge is an example of blending beauty with practicality, and is consistent with Tempe’s cultural commitment to alternative transportation, sustainability and recreation.

Leadership for Tempe also requires we make decisions and choose courses of action consistent with our community’s values so we avoid the stagnation, the degradation and the decline that results from attempts to “stay put.” The future and all the change it imposes will happen regardless of whether we are prepared. Tempe’s historic circumstances do NOT allow our leadership to cling to the past without EMBRACING the opportunities that the future presents.

Indeed, I submit that Tempe’s historic culture is a series of practical innovations that have sustained us for centuries.

Tempe has been an urban community arguably since the Hohokam first settled this land, but certainly since the Hayden family located here. The urban nature of Mill Avenue and the downtown has cycled through successes and downturns ever since. This area is vital to Tempe and deserves the attention it has received from our many councils, past and present.

To address this volatility, from May 2004 until June 2006, Tempe’s leadership worked to “model” what Tempe’s downtown could and should become. The unique historic and cultural features of the downtown compelled the conclusion that Downtown Tempe and its Lake District could and should embrace intensification of development for commercial and residential purposes.

Consider: Downtown is served by several major freeways and is adjacent to Sky Harbor International Airport. When these conversations about the Mill & Lake District began in early 2004, light rail was planned but construction had not yet started. The retail complex in downtown had suffered a significant setback during the recession that stretched from March 2001 to November 2004. Mill Avenue had lost its “native” customers as more of the residential elements and the neighborhood-supportive businesses, like grocery stores, were driven out.

Intensified commercial and residential development, if it could be attracted, would draw on the assets of Downtown Tempe and support a thriving retail and tourism destination.

Future Councils will likely reexamine the vision of the fully developed region, but in my view, the worst thing a future Council can do is reduce the densities called for by the 2004 to 2006 efforts. Tempe's future will depend on the Mill Avenue and Town Lake District becoming fully populated by residents who call this home.

Those residents will add to the property-tax base for our school districts. They will support the local businesses even in bad times, generating sales tax revenues to support our entire community's police and fire services, our parks and recreation programs and our other city-wide services. And they will take full advantage of the infrastructure in which Tempe already has invested—streets, bike paths, parks, Town Lake, light rail and so much more.

Our Transportation Division has done an exceptional job of weaving alternative transportation routes throughout Tempe and joining them to other communities, knowing that people's lives do not stop at city boundaries.

The more intense development BUILDS on Tempe's unique assets with an historically urban downtown, but one with a preserved A-Mountain and Papago Park; a downtown with the recreational areas around Town Lake protected and Tempe Beach Park, once at risk to development, preserved thanks to those "Grumbling Goobers."

It will continue to be a downtown with authentic, preserved historic buildings dating to the City's founding, enhanced by the presence of the University and the vibrancy that results from the questioning and intelligence of researchers, students and faculty there.

How do we continue to build on those assets, stay true to OUR community's culture and history, and take further advantage of the future's opportunities? Here's an example:

In 2005, while looking at the construction of the new light rail system and several downtown high-rises, local businessman Stan Nicpon pointed out that increased density brings automobile traffic. He suggested a transportation system that would serve Tempe and do so more cost-effectively than light rail; he suggested we examine a modern streetcar system.

As a skeptic, I have to admit I learned one important lesson about light rail: It works for Tempe. Specifically, it has allowed us to build on our unique circumstances. Our community has seen more than \$1 billion in major development immediately along our light rail corridor, not to mention associated projects blossoming from the location of light rail.

Certainly, we were positioned to benefit from this – we had significant available real estate surrounding the light rail line, we applied appropriate zoning concepts and created easy-to-use development processes thanks to our Community Development Department. Yes, combined with a population of residents, students and workers who already appreciated the lifestyle benefits of mass transit, light rail continues to be a huge benefit for Tempe.

What we can take from this experience is that the private sector responds to the placement of PERMANENT infrastructure. We see it with Town Lake and we have seen it with Light Rail. Bus routes and Orbit routes can be moved too easily for the private sector to take

much notice of that kind of “infrastructure.” But we can’t move Town Lake and we can’t move the light rail tracks.

Given the results we generated from light rail, given our unique culture and historic context of an urban downtown, and given the proposed use and placement of the streetcar, in its first phase and future phases now under discussion, this project seems to be a perfect fit for Tempe.

From light rail, we saw billions more in proposed and pending projects. Before, Tempe had spent 30 years and tens of millions of dollars trying to “fix” Apache Boulevard. Now the private sector is taking advantage of the light rail investment and doing what Tempe City government could NOT do alone.

In the six years since Stan Nicpon pushed forward his proposal that we consider a modern streetcar, our staff and Council have done significant work to examine the application of modern streetcar to Tempe’s circumstances. With the proposed streetcar, we would both build on the assets that Tempe already has in place AND, based on our experience with light rail, spur the completion of the downtown development plan in a way that will provide Tempe with a permanently occupied, vibrant Mill and Lake District that can better withstand economic cycles and reduce our community’s fiscal volatility.

So have we examined the risks? This project has been undertaken with the knowledge from lessons past. We have reviewed our work with a critical eye, and we are not afraid to improve upon our original efforts. As my mother would say, measure twice, cut once. In terms of our streetcar efforts, for example, after completing the review of the proposed line, the community and staff went back and reconsidered the alignment.

Following an additional six-month-community process, we revised the route to include a downtown loop, recognizing the loop was essential to broaden the impact of development AND provide better service to the residential neighborhoods to the west of downtown. Let’s take a look at the route!

Watch a video about the streetcar - Mill Avenue Route:

<http://www.youtube.com/watch?v=6eUrxvV2bfl>

This video simulation gives you some idea what the future holds. It explains why the modern streetcar “fits” Tempe, and why it will help address challenges Tempe will be facing, some unique to our city and some that must be addressed not only here, but across our nation and around the globe. For example, are gas prices likely to continue going up? Is the price of all forms of energy likely to go up? I just returned from China. With a billion people there seeking to capture some of the “American” dream, demand on scarce resources will continue to increase, driving up the cost of transportation. Our further investment in PERMANENT public infrastructure today, just as our country invested hundreds of billions in streets, roads and freeways over the last century, will help maintain and improve American’s quality of life.

As the cost of operating our cars goes up, families will be looking for better ways to get from one place to another. Parents grow tired of playing taxi driver. We already saw Tempe

families responding to public transit; just look at the successes of the Orbit and the free student transit pass – both programs were launched only in the last six years, but our residents’ response to them has been overwhelming.

Investing in permanent infrastructure also will serve us well in supporting significant private development, which will generate property and sales taxes for Tempe. Moreover, having sufficient residential presence in downtown and around Town Lake will help Tempe attract to the area a return of the neighborhood supportive businesses for those living in AND around downtown.

Further, we have spent more several years examining the costs and revenues associated with the operation of the streetcar. The model examines not five, not ten, but a 20-year time horizon. In a very conservative approach to estimating operating costs and revenues, and taking lessons from Tucson, which is completing its downtown streetcar, Tempe’s staff and Valley Metro Rail identified that, beginning in fiscal year 2022-2023, Tempe’s transit budget would have sufficient funds to continue operating its bus and light rail system while also funding the operations of the proposed streetcar.

“Opening Day” for the streetcar, if funded, would be in 2016. In that same very conservative approach, the two agencies’ staffs estimated that there could be a transit tax shortfall for the period between the Opening Day in 2016 and 2022. Based on that work, Tempe staff and Council identified sources of revenue substantially in excess of the proposed shortfall that would be available to fund the streetcar’s early operations WITHOUT taking any funding from any other projects, including transit.

In short, Council and staff have done the work of examining AND addressing the financial risks – and we still have four more years to refine our work before opening day. That’s proper leadership.

Some suggest, correctly, this revenue could be spent on other items. Very true. But this is always the case. Council members, with help from staff, are obligated to make decisions among competing priorities. Once the decisions are made, they also then are obligated to work as effectively as possible to carry out those decisions. Unlike most government projects, the streetcar project has the opportunity to put Tempe into a significantly improved financial condition in the future from the likely resulting development impact I’ll describe more fully in a moment.

It is true Tempe may not receive the federal funding necessary to CONSTRUCT the entire proposed phase I of the project. But it is the most absurd of circular logic to argue Tempe should not now commit to building the streetcar as a condition to apply for federal funding because we might not get the federal funding. Tempe may not get federal funding, but if that is the case, then the commitment build the streetcar won’t matter. The Council already committed to reexamine how to approach the project if federal funding is not available.

With a first phase of streetcar providing the downtown loop and the opportunity to connect downtown and university neighborhoods, a second phase could finally tie together all of

Tempe's investment in Town Lake with the Downtown District, as Steve Banta said in the video. But we can't get to phase II until we complete phase I--and complete our obligations to the transit plan that was finalized more than ten years ago and on which Tempe's local and regional funding is tied.

But phase II of the streetcar should be pursued with significant vigor as Phase I proceeds. Why? Look beyond the horizon with me and see the challenges and opportunities in Tempe's future.

Watch a video about the proposed Rio Salado Streetcar Route with ASU Athletic Facilities District and the Cubs Stadium: <http://www.youtube.com/watch?v=GWKFy70mbhg>

I've told you about Downtown, but what about development farther away from our core? Right now, there is a vast amount of empty or underutilized land on the banks of Town Lake and at ASU. But if Tempe looks forward starting now, we can take advantage of a unique set of circumstances to move the Rio Salado Corridor from something that has potential to something that is kinetic. And we can do this with the investment of partnering agencies from around the Valley.

The walkability from downtown Tempe to Tempe Town Lake is possible and is frequently done on weekends as people park in downtown or arrive on light rail and head to our many special lakeside events that our Community Relations Department does such a great job of coordinating. Looking around this intersection, Rio Salado and Mill, we see these businesses are accessible without a car: Light rail to the Third Street station, walk a block or two to your destination.

Getting cars off the roads means less land needed for parking and more land for development; it means less pollution in the air and more money in the pockets of those who live, work, study and play here.

But as you move east on Rio Salado, walkability drops. That's why we should plan now to reduce the need for cars in these projects. With the permanent investment in streetcar, the private sector can "bank" on it always being there as an amenity for projects. We must also reduce the traffic that could cause substantial delays as more and more projects develop.

We are now approaching one of the greatest opportunities – and one of the greatest risks – this city has ever seen. And we are presented with this challenge because age is fraying part of the fabric that makes up Tempe's culture. Sun Devil Stadium, in its day, was a great venue for football and concerts – but that day is long gone. The stadium is literally crumbling and lacks a roof, which will be essential if the Sun Devils are going to hold up their end of the Pac-12's new television contract with early-season day games.

These are significant problems that **MUST** be addressed within a few years. The State of Arizona is not in a position to pay for the rehabilitation, whether from inability or refusal, and former ASU leadership refused the funds that were available for a new stadium that could have served both a professional and collegiate team.

Fortunately for us, Dr. Michael Crow at ASU understands that this challenge cannot be ignored and passed on to future generations. That's why the school has worked so hard to bring into being the University Athletic Facilities District.

This District is the largest proposed residential, commercial, retail project in the world. That's pretty ambitious. As part of this project, ASU will renovate Sun Devil Stadium and some of the money to do so will be generated through fees the University will collect from business and development on these 300-plus acres.

The District's elements must be attractive to the private sector, which must pay sufficient amounts for property and buildings to allow the University to realize the potential of land that includes more than a mile of lakefront and one of the Valley's prime intersections.

It's obvious what Tempe stands to gain from the District. But, opening our questioning mind, we must recognize the many risks presented by this ambitious project.

For example, if the District is built too fast, or with the wrong mix of project elements, it may not be absorbed into the real estate market quickly enough. As a result, the project's components may compete against and drive down the real estate values of projects already in Tempe. If it builds too slowly, we all risk the loss of Sun Devil athletic facilities. And if we do not carefully integrate the District into Tempe, its presence could destroy, through unintended competition, the Mill Avenue District and/or Tempe Marketplace.

The proposed streetcar can help accomplish projects in both Downtown AND the University Athletic Facilities District quicker – and together, rather than in competition. And rather than slogging through the traffic such a popular destination would create, people will be able to move quickly and easily along Rio Salado.

The University must be prepared to have its project bear some of the burden of the streetcar's construction and operation, just as Tempe's Lake projects must. Meanwhile, Tempe's council members must keep in mind the taxpayers they represent while negotiating the details of all of these projects. Yes, the University needs the property tax for its facilities, but Tempe must retain the sales tax from those projects, both from construction and sales, including rental tax, to supply all of the services required by the University and our community now and in the future.

Quite a challenge for Tempe: Responsibly and sustainably enhance the economy, support the university, take advantage of our unique assets AND preserve our historic culture and environment.

I've just told you what MAY happen along this route, but what about what's ALREADY happening? Tempe Marketplace will go down in city history as a great commercial success story – from toxic wasteland to a popular destination for shopping, dining and entertainment. We wouldn't be building a streetcar to nowhere – we're building it to where people GO NOW. And there's more land adjacent to Marketplace ready for development.

Our last leg of the route crosses city limits, into Mesa. Riverview Golf Course is a valuable piece of property, near the junction of two major freeways – and it, like ASU Karsten Golf Course, is about to undergo a major change for the better. The quick backstory: The Chicago Cubs are, by far, the most popular team in the Cactus League – but their spring training facilities are inadequate. Soon the City of Mesa will be building a new complex, including a stadium, on the Riverview land. The Cubs will only use the stadium for a handful of dates in the spring – so the team and the city needed a co-tenant. They found that co-tenant: ASU baseball. After all, the Sun Devils will need a new ballpark, because Packard Stadium must be torn down for renovation and have tens of millions spent on it or allow the land to be utilized in the University Athletic Facilities District. It seems like an easy choice.

As we began the “tour,” I mentioned a unique set of circumstances and fortuitous timing. Because the Sun Devils and Cubs need new stadiums, they’ve got to develop land – land that would benefit GREATLY from a streetcar line. And as fortune would have it, these properties are along Rio Salado. Which means, if the decision is made to go forward on Phase II, Tempe won’t be pulling the rope alone. Right alongside us will be Arizona State University and the City of Mesa. This is regionalism at its finest.

I am joined here today by a leader who will play a very important role in the development of this area and the streetcar project, and he’s not from Tempe. He’s Mesa Mayor Scott Smith. I ask Mayor Smith to stand and be recognized for his commitment to regionalism and this project.

But Mayor Smith is not alone here today in demonstrating a strong commitment to regional cooperation. In addition, demonstrating their own commitment to regionalism, are two other Valley Mayors upon whom I regularly rely and with whom I regularly confer for their wisdom. They are, Mayor Jay Tibshraeny of Chandler and the Mayor of Gilbert, John Lewis. Gentlemen, please stand so we may recognize you.

So here we are today, presented with both the biggest opportunities and challenges our city has ever faced. This is my last State of the City Address to you. With it I sought to make one main point:

It is imperative our city’s leaders act not only with creativity—as dreamers with a desire to build—but that they act like skeptical, visionary scientists, using logic and practical research to lead us to our most inventive, most appropriate outcomes.

We must work to keep Tempe our Great Arizona City. So now, we all need to roll up our sleeves, turn on our minds and work to capture Tempe’s Brightest Future.

Thank you for attending today and for your attention.