
State of the City Address

State of the City – February 24, 2016

Good morning, it's my great privilege to present my 6th State of the City Address today.

First, I would like to thank and recognize my wife of 37 years Mona; the Escondido Chamber of Commerce and our sponsors; Mike Slater, our Master of Ceremonies; my colleagues on the City Council; the mayors of the "Innovate 78" and all elected officials. Also our City Manager Graham Mitchell and City Attorney Jeff Epp; our management team and our 800 plus city employees, as well as our Board and Commission members and our volunteers. Thank you all for your hard work, dedication and outstanding service to our city.

Ladies and gentlemen, I am honored to have served as your Mayor since 2010 and as your councilman since 2004. I am pleased to report that the state of our city is outstanding. The state of our city is dynamic. Our city is heading in the right direction. Escondido is now a prominent leader in North County. We promised you a better city, we delivered a better city.

We have set ambitious goals for Escondido, and we have delivered on those promises. These significant achievements were inspired by your strong support and collaboration. We are fulfilling our promises of Economic Development, Financial Stability, Public Safety and Neighborhood Improvement. We continue to build a positive image and pride in our community. We have an honest, transparent and efficient government that will only get better.

Let's watch a VIDEO produced by our City staff.

Escondido is proud. A great place to live, visit, do business and raise a family.

Our city today enjoys one of the most vibrant economies in San Diego. Today we have 25 significant residential developments of 1800 housing units, upscale retail and commercial projects that are being built or going through the development process, which are valued at almost \$1 billion dollars...that is billion with a "B".

The private sector's confidence is stronger than ever. Between 2010 and 2014 we attracted 500 net new businesses. Last year alone, we brought another 450 net new businesses to Escondido creating 100's of new jobs. Westfield North County continues to invest strongly in our community. We saw the opening of the new Black Angus restaurant. Westfield is now adding a new upscale movie theater and a 24 hour fitness center. This will put Westfield North County among the top shopping malls in the country, and one of the best shopping destinations in the region.

Another significant part of Escondido's diverse economy is tourism. Our tourism office, "Visit Escondido", was very successful in promoting 1600 special events last year. We saw an 8% increase in Transient Occupancy Tax. Our sports tournaments continue to draw tens of thousands of visitors to our facilities at Kit Carson Park and Ryan Park each year. The San Diego Zoo Safari Park, the 2nd largest destination in North County, had a banner year, with over 1.5 million visitors. Stone Brewing Company, the 3rd largest destination in North County and the 9th largest craft brewery in the nation, attracted another half a million visitors. Stone will soon open the new brewery in Berlin, Germany and will be the first American independently-owned craft brewer to operate in Europe. We are proud to have such an innovative and successful business based here in Escondido.

Our Sales Taxes have increased from \$22 million in 2010 to \$34 million in 2015.

Our budget last year ended with \$26,000 surplus. We turned around a \$16 million deficit over five consecutive years to over \$8 million surplus in the last five years without using reserves or raising taxes. We also increased our reserve fund to \$17 million. Our successful financial policy, 5 year financial plan and our current reserve balance at 19% of General Fund budget have improved our general obligation bond rating to AA- by Standard and Poor's last year. This rating represents a strong capacity for us to meet our financial commitments and makes our City's bonds more attractive to investors.

Fiscal responsibility and efficient government are the core values behind our success in turning the city around.

Public Safety remains a high priority for the Council. Unfortunately San Diego County continues to face challenges attributed to AB 109 which has released hundreds of criminals from state prisons to our neighborhoods and local jails. As well as Prop 47, passed in 2014, lowered the threshold to prosecute drug and theft charges from felony to misdemeanor and will release more criminals to the San Diego County. This year the Governor will likely introduce sentencing restructuring laws that will add more challenges to crime reduction this year.

Our proactive community-oriented policing will continue to achieve environmental transformation, one neighborhood at a time. Our Police initiated the second

Neighborhood Transformation Project in the urban district. The East Valley Business Association has been revived to help create a better business environment in East Escondido. And the number of neighborhood groups has grown to 20 today.

The Fire Department continues to provide the highest level of service to the public, not only in responding to emergency calls, but also to better prepare the community for natural disasters. This year the Fire Department hired a full-time Emergency Preparedness Manager to partner with our Police, Fire and the Public Works Departments to improve service delivery and emergency planning. Last year, the Fire Department received \$626,000 of grant funds from Federal, State, and local agencies to make sure our public safety staff personnel are highly trained and better equipped to save lives in our community.

Another key priority of the City Council has been to improve the City's infrastructure. We continue to devote millions of dollars every year in additional funding to street maintenance, dramatically improving our roads and neighborhoods citywide. Two weeks ago, I signed an agreement with the Rincon Band which will allow us to complete the final stretch of road improvements on Valley Center Road. Now, thanks to the Rincon Band of Indians' generous donation of \$800,000, construction will start later this summer to mitigate the additional traffic generated by the Harrah's Resort expansion project.

We continue to work closely with SANDAG to build the needed infrastructure for the San Diego region. The widening of the 78, I-5 and I-15 intersections is the North County Mayors top priority. And we continue to seek grant funds for the Citracado Parkway extension to connect the Highway 78 and the I-15.

Additional city facilities were constructed in 2015 to better serve the community. This included the new three-story administration building at the Hale Avenue Resource Recovery Facility, as well as upgrades at the Water Treatment Plant. Additional amenities have been added to the historic Daley Ranch house to host more events. We also received over \$685,000 in Federal funds last year to upgrade Park Avenue Community Center, East Valley Community Center, Oak Hill Activity Center, Train Depot, and our two municipal pools.

To improve our water reliability, the city is spending \$300 million to expand the recycled water delivery system, \$80 million will be spent the next five years and another \$220 million the next 20 years. These significant investments will provide more competitive rates to the agricultural customers on East Escondido.

The City has finally received the state and federal permits to clean the Flood control channel prior to the El Nino storms. City crews have been working hard to clean the channel since we received the permit in August last year.

Community amenities and other quality of life standards are also very important to our residents, visitors and businesses. We are fortunate to have a wide range of amenities:

Our historic downtown is full of special events and activities. Last year, the Downtown Business Association launched its first ever Tamale Festival in Grape Day Park which was an instant hit! New businesses and restaurants continue to open in our downtown, the Cute Cakes, Burger Bench and Wooden Spoon are few examples. In addition to the San Diego Children's Museum and the History Center, families can now enjoy the amazing Roynon Museum of Earth Science and Paleontology. "Cruisin' Grand", another favorite attraction, continues to be extremely popular, bringing thousands of visitors to downtown each week.

Escondido also is fortunate to have a thriving arts community. The California Center for the Arts remains a prominent cultural institution in the region. Nearly 300,000 people will visit the center this year. The Escondido Arts Partnership's Municipal Gallery and Queen Calafia's Magical Garden continue to attract more visitors to our city.

Palomar Medical Center is an incredible asset to our city, providing cutting -edge, quality health care to the region. When the downtown campus closes sometime this year, all health care services will be consolidated at the new hospital. I personally view the closure of the downtown campus as an incredible redevelopment opportunity for our historic downtown.

We have strengthened our collaboration with community organizations like Interfaith Community Services and Solutions for Change to provide additional transitional housing for the growing homeless population in our city. I supported the 25 Cities initiative; Interfaith opened the year-round Haven House shelter, and we contributed 75 thousand dollars to the new Hawthorne Veteran and Family Resource Center in Escondido.

We have a closer collaboration with public and private schools to make education a priority. Palomar College, John Paul the Great Catholic University and our award winning public and charter schools continue to provide more educational choices in Escondido. Working together to build on the progress made by all our schools will raise the educational level of our residents, help us overcome economic challenges and make our residents better prepared for the work place of today and the future. More than 466,000 visited our main library, and another 9,000 visited the East Valley Technology Center last year.

We continue to focus on Economic Development and have achieved many of the

objectives in our five-year Comprehensive Economic Development Strategy. Last April, Escondido, with the cities of Carlsbad, Oceanside, San Marcos and Vista began implementing its "Innovate 78" program to attract and retain businesses, talent and capital. This unprecedented collaboration highlights the region's strengths and promotes new growth, creating great opportunities for the businesses and residents of North County.

In closing, Escondido has a tremendous sense of pride, great generosity, and strong community spirit. We are proud of our diversity, where people of different interests work together for the common good. We see the successes happening every day in our schools and classrooms, in our government, in our businesses and in our neighborhoods. I see a future inspired by 21st century innovation to make Escondido a smart city. I see tremendous opportunities and a better future for the city that we all love and care about.

As my favorite president Ronald Reagan once said, "*America is too great for small dreams*". So is Escondido. Our big dreams should be inspired by our social and economic potentials and not by our limitations. When we work together, we can make our dreams a reality.

Let's build a city driven by values, optimism and faith, where work and family are the center of our lives and the foundation of our dignity.

"We make a living by what we get, and we make a life by what we give." - Let's have the courage to do what is morally right.

"The Founding Fathers believed that faith in God was the key to our being a good people and America's becoming a great nation."

I will always honor the trust you have placed in me. I will remain focused on our strategic priorities. I will continue to work hard for our city to achieve the goal of prosperity for all of us. Together we will make Escondido the best city in America. God bless our city and God bless America.