



[INTRO]

What a beautiful day it is to be celebrating our community and our businesses.

After serving for more than a decade on the San Marcos City Council, I have looked forward to this event each year because it is a tremendous opportunity to come **together**, reflect back on our community's progress, and to set the tone for the coming year.

I am humbled to stand before you today as your first female Mayor--it's about time!

It is exciting to stand here as an example to other women and young girls—

To show that you can dream big, and that those dreams can become reality.

I want to thank the residents of San Marcos for trusting me with this incredible honor.

I want to thank my colleagues on the San Marcos City Council – Mayor Pro Tem Sharon Jenkins and Council Members María Nuñez, Jay Petrek and Randy Walton—I look forward to serving with all of you.



Thank you to my predecessors, former council members, who are here today and made sure to leave a legacy—one that has made San Marcos what it is today.

- Pia Harris
- Hal Martin
- Jim Simmons

We have an honored guest—Daniel Smith, son of the late F.H. Corky Smith. Corky Smith has been a resident of San Marcos since Mission Road was a dirt road and served on the San Marcos City Council from 1980 to 2006.

Corky was instrumental in the development of the City including the Heart of the City area, Civic Center Complex, the City Charter, Cal State San Marcos, San Marcos Senior Center and the San Marcos Boys & Girls Club.

Let's give applause to Corky for his role in molding and guiding San Marcos to be one of the finest cities in San Diego County.

Special thanks to President Dr. Karen Haynes and the students of Cal State San Marcos for this beautiful venue.

And to Palomar College—President Joi Lin Blake—and their video production team who is recording today's event.

To our new San Marcos Unified Superintendent Dr. Carmen García.



I'd like to recognize a few special guests:

- Chamber Board Executive Committee Chair Carla Royter and Chamber President Rick Rungaitis;

Mayors along the 78 Corridor and Innovate 78 partners:

- Mayor Matt Hall
- Deputy Mayor Jon Franklin from Vista

The Chamber of Commerce has already acknowledged our other elected officials and commissioners but I wanted to add that it is these dedicated individuals that contribute to the success of San Marcos so thank you;

I want to especially thank all our sponsors again for supporting the Chamber and city with your generous donations and time.

This is a wonderful community of people who work hard, reach for excellence and achieve incredible dreams.

As a resident for more than 20 years, I got my start as a community advocate because I **love** this City.

I knew that when you care about something, you get involved, you volunteer,

and you **can** make a difference.



This is what makes San Marcos stand out, the many people who are passionately involved in the community.

I often say that San Marcos volunteers are the best thing about our city.

The annual State of the City address provides an opportunity to embrace how far we have come **together**.

This year, marks our city's 56th anniversary.

It was the year 1963.

Martin Luther King, Jr. delivered his "I Have a Dream" speech; the Beatles released their first album; and a little town in northern San Diego County was incorporated as the City of San Marcos.

Our beginnings were humble, but with strong roots—built on hard work and a desire to stand out.

We started out with just one stop light; one grocery store to serve our community's shopping needs; and one park for our 2,500 residents.

In fact, Cal State San Marcos is sitting on what once was an old chicken ranch.

To put things into perspective for you, we now have 135 signalized intersections; 286 miles of sidewalks; 36 parks; 63 miles of trails; seven



recreational facilities, more than 30,000 homes; thousands of businesses; a top-ranked school district, one of the state's largest community colleges; a growing state university; and more than 95,000 residents.

I'd say we're looking pretty good for our age!

Together, we have seen San Marcos grow and because of our strong roots, we are able to face challenges head on.

Challenges like recession, community growth, drought, fire, housing affordability—and threats to our local control.

These challenges test our resilience and provide opportunities to unify and strengthen our community.

And San Marcos is forging its own path in discovering our limitless potential.

We have been one of the fastest growing cities in San Diego County;

Median incomes are on the rise and outpacing the region;

And San Marcos is home to California's largest community college and youngest state university.

Our San Marcos Unified School District is one of the best in the region, focused on providing our youth a high quality educational foundation.



In recent years, San Marcos households have seen incomes grow by nearly nine percent, and the unemployment rate of 2.9 percent remains low.

Working together has made it possible to offer a higher quality of life for our residents...for our businesses...for our students... and to our visitors too.

With world-class educational institutions and talented workforce, the City is a pipeline for regional talent and home to high-paying industries.

San Marcos boasts more than 4,000 businesses, up 25 percent from a decade ago.

With more than 40,000 jobs in the City, local businesses continue to thrive and are making San Marcos an economic powerhouse;

Higher-than-average median wages can be found in three high-paying industries: manufacturing, wholesale trade and information;

Our housing stock offers diverse housing opportunities for young families, professionals and retirees.

In the last decade, our housing stock has grown by 10 percent—critical to meet high housing goals coming down from the State.

And we understand the importance of recreational opportunities.



Our community boasts 63 miles of multi-use trails, 36 public parks across nearly 300 acres of park space;

The City is home to more than 240 restaurants with eight breweries, and more fine dining establishments on the way.

The numbers tell the San Marcos story.

Our growing reputation as a great place to live, work and play is well deserved.

[Entrepreneurial Spirit]

We will continue to focus on economic development—cutting the red tape so businesses can open their doors;

And collaborating with our Corridor cities to attract and retain quality businesses that not only put San Marcos on the map, but also add to our own unique community character.

When you think of a neighborhood or city that you love, you tend to list local businesses that contribute to that character.

Think about how you feel visiting your favorite coffee shop or restaurant; the barber or hair stylist you've been going to since you were a kid; or your regular workout spot where you've made friends.



Local businesses create your sense of place, they make you proud to live here.

When people are proud of their hometown, they tend to care more, volunteer more, and invite others to visit more.

Recently, the City was recognized **internationally** for its economic development outreach work—we will continue this momentum.

San Marcos' emerging urban core is transforming the city from a “drive-through” community to a “drive-to” destination.

The City is focused on strategically bringing vibrant, mixed-use concepts to areas located near transit to offer spaces where residents and visitors have an opportunity to embrace local artisans and promote local culture.

Case in point: the city's University District—better known as North City is coming to life right across the street—use see 195 acres transforming into a place where you can walk to work, bike or hike the local trails, and meet friends for drinks down the block.

Residents can also look forward to seeing new innovative business coming to San Marcos

Starting with My-Yard Live. This new family-friendly dining and entertainment option is coming to the old Home Town Buffet building off of Rancheros Drive.



Adding to our brew-culture, Karl Strauss is expected to break ground on their new location this year.

Plans are also moving forward on Area-of-the-Arts—a project that will one day transform nine acres of vacant land at the intersection of Grand Avenue and Linda Vista Drive into a thriving village anchored by arts, makers, craft brewers and distillers with an interactive park at its core.

Moving forward, we will continue to partner with our neighboring cities through Innovate 78 –a unique collaboration that puts North County first.

Together, San Marcos, Oceanside, Carlsbad, Vista and Escondido are focused on attracting and keeping businesses here.

While we want businesses to make San Marcos their permanent home, we will refer them to another Innovate 78 city if we can't meet their needs—we want to keep them in **North County.**]

Next steps for this effort will involve strategies that support local businesses and expand awareness of all that North County offers to site selectors and investors.

When our businesses thrive, we thrive. Sales tax revenue helps fund the high quality of life we all enjoy here in San Marcos.

In fact, sales tax is the City's second highest revenue stream—bringing in more than \$17 million annually, second only to property tax revenue.



Not only are we committed to creating a business-friendly city, but we will also live up to our chartered expectation of thinking more like a business by seeking out ways to see our community thrive— without raising taxes!

If you've ever spent time at San Marcos City Hall, you may have noticed there are plenty of busy employees—but not everyone is working for the City.

A portion of office space is leased to private companies, which occupy about one third of the building.

This is one of the many ways San Marcos has invested in property to generate revenue and pay for services without burdening our residents by raising taxes.

Unlike other cities, San Marcos does not have big sales-tax generators, like car dealerships, regional malls or Legoland to rely on for revenue generation.

To make up for it, your city manages an extensive real estate portfolio, which includes offices, residential properties, the Creekside Marketplace retail center and more than a million square-feet of land holdings.

All this generates more than \$10 million of rental income annually, making it the City's third largest revenue stream after property and sales tax.



These dollars help pay for things like parks, fire stations and street maintenance.

While not common in government, the City has taken a page from that business playbook to benefit our taxpayers.

Our outside-the-box approach and fiscally conservative leadership means we're in a better position to weather whatever the economy throws at us.

[FISCAL OUTLOOK]

While we take an innovate approaches to raise revenue, your City Council will continue to maintain fiscally conservative policies and keep healthy reserves.

This will be more important than ever as indicators show the economy is slowing down.

And we know, costs for services are not getting cheaper.

The City is proactively taking steps to manage employee retirement costs and streamline services to help reduce expenses wherever possible.

Our goal is to always deliver the exceptional level of service that our residents have come to expect.

Overall, the City's finances remain steady and property taxes are stable.



Council policies are in place so that whenever we touch our reserves, we have to pay it back within five years.

We are committed to these fiscal promises, and we will keep putting them into action.

We will keep a keen eye on the economy, making sure we hold true to the fiscally conservative principles that kept us above the red during the downturn.

Part of being a well-run city means making sure we have the best and brightest working for you at City Hall.

While the millennial generation continues to enter the workforce in ever growing numbers, employers are confronted with another workforce challenge from the other end of the employee spectrum: the "silver tsunami" — that wave of maturing associates preparing to exit the workforce.

To meet this challenge head-on, the City is establishing in-house talent attraction and retention strategies.

We've already delivered award-winning videos and employee testimonials that have successfully supported almost 80 recruitments, generated nearly 2,400 applications and filled several top-level positions at City Hall.



To top it off, this effort will save the City tens of thousands of dollars in what would have otherwise been spent hiring outside recruiting firms.

This isn't the only area we will continue examining as an organization.

We will look at our operations from the inside out –to make sure we're meeting the needs of our residents and businesses in the most efficient way possible.

The City Council will engage in an upcoming strategic goals workshop to outline our vision for the coming years.

With new council members on board, the productive session will help us to identify priorities and outline strategies that will guide us forward.

Of course, folded into these main goals is the day-to-day work that makes this City great.

[Public Safety]

For starters, we have the lowest crime rate in San Marcos' history and we are **North County's safest city**—all while keeping safety costs the lowest in the region.

Thanks to the San Diego Sheriff's Department and Captain Dave Brown, we have seen the overall crime rate go DOWN by 19 percent in the last five years.



Captain Brown tells me that their focus will be on expanding current efforts to help at-risk youth.

By providing positive role models through innovative programs such as the RESPECT project and Camp Lead; our young residents come to understand the many opportunities available to help them to succeed and reach their highest potential.

The Sheriff's Department will also assist county probation with compliance checks; work with local merchants to make our shopping areas safer; and make sure San Marcos remains one of the safest cities in the region.

We do this by looking by having a more proactive approach to crime.

This means working together with our schools and continuing to fund school resource officers.

Our fire department will continue to focus on delivering the superior service that our residents have come to expect.

And, despite continued high call volumes, the department's average response times for emergency calls have remained some of the fastest—coming in under five and half minutes on average.

To help curb these high call volumes, the department is partnering with 2-1-1 San Diego—the region's resource and information hub that connects people with community, health and disaster services.



In the next three years, you can also expect to see Fire Station #3 remodeled and updated.

SMFD trains around the clock to stay up on the most current fire fighting and life saving practices.

They work diligently with residents and businesses to educate and prepare the community ahead of time so that if and when disaster strikes, we stand ready.

[QUALITY OF LIFE]

As north we continue to grow, we also face the challenges of increased traffic congestion, affordable housing and demand for services intensifies –your City Council will adapt . We will work tirelessly towards solutions.

With an eye on the future, your city has put policies in place to take care of what is ours.

We have made your city infrastructure a priority.

The City maintains roads, public buildings, vehicles and equipment, storm drains, parks and many other public amenities.

We do this by setting aside General Fund dollars for long-range maintenance.



That set aside is increased by a compounding half percentage each year to until we reach a goal of six to ten percent of the General Fund.

If you let your infrastructure fail, it costs more in the long run—short term pain, but long term gain.

We know traffic flow is important to our residents and keeping city streets in good condition maintains overall traffic safety and mobility.

After completing all designs and securing approval by CalTrans, it is my pleasure to **announce** that residents will see major construction on the long-promised creek area infrastructure improvements.

I know you have heard this story before and we may have some skeptics, but work already started this past December to clear the ground and get the area ready for construction.

As we speak, the City is advertising to secure our construction contractor.

Starting this fall, expect to see a ground breaking on construction of two new bridges that will span Bent Avenue and Via Vera Cruz.

We will also be expanding Discovery Street, adding a promenade trail connecting the two bridges, as well as bringing bike, pedestrian and signal improvements.



You know those annoying road closures every time in rains at Bent Avenue and Via Vera Cruz? Once this project is complete, no more flooding issues!

Not to mention that traffic flow will improve, the creek will be restored, and residents and visitors will have a new recreation space to enjoy.

All this will take about three years to complete.

There will be major impacts to residents, schools, businesses and commuters—again, short term pain, for long-term gain.

While we can't avoid these impacts, expect to know about them.

This summer, an outreach effort will kick-off to make sure residents and businesses are informed, know where to get information and know how to get questions answered.

The City will be reaching out early and often to keep you updated on road closures, construction impacts and overall project progress.

When it comes to traffic management, focus will be on upgrading technology so that the City can communicate and coordinate faster with intersections.

In addition to upgrading the City's traffic management system, we will be replacing outdated traffic control signals with new generation controllers



capable of adaptive control and enhanced coordination for improved traffic flow.

As you can see the City is working on this important quality of life issue, but we need your help too.

In 2019, we will be educating residents about safe driving habits and encouraging drivers to “honk less, and wave more” so that we can all have a better experience when driving through the city.

I’m so proud to announce that this summer, the City of San Marcos will launch a new app—the San Marcos City App—designed to give San Marcos residents a free, real-time, and simple way to use their cell phone to report community issues such as street light outages, graffiti or potholes.

Until the app is ready for its public debut, visit the City’s website to let us know about issues or your community suggestions.

We’ll take care of the rest!

Our award-winning parks and recreation program is gearing up to celebrate the grand opening of Mark J. Noy Jr. Adult Fitness Zone located at the Senior Activity Center in just a few weeks.

As the City’s first outdoor recreation space to offer a combination of cardio and strength training equipment, this facility is designed for year-round



use to encourage healthy and active lifestyles while supporting the City's status as a San Diego County Live Well community.

And speaking of living well, Council recently approved smoke-free public parks to protect the health, safety, comfort and environment of our park visitors.

The health of San Marcos is important to us!

[GROWTH]

Growth brings progress, and progress brings challenges—from traffic to housing to school capacity and the states unfunded mandates, we must adapt to take our city to new heights.

While we continue to grow, we have and will continue to plan for it.

Not only do new housing challenges face California and our region, but our residents have let us know that thoughtful growth is a priority.

The City's General Plan, updated seven years ago, and has served as a blueprint for us and our community partners as a standard for land use and development.

The General Plan needs to reflect the challenges of today, taking into consideration things like traffic, open space, parks and recreation, and schools.



As such, we will be initiating studies for a General Plan and Housing Element update to ensure we are ready for the future and any potential impacts of state legislation.

Future development will likely focus more on density and diversity—projects that fill in our community and add to the diversity of homes available here, all with less impact on roads and more, open spaces.

Despite our challenges and requirements pushed down on us by the State, San Marcos will stay committed to its neighborhoods and is invested in seeing the City’s many communities thrive.

[Education]

Thanks to Palomar College, Cal State San Marcos, University of St Katherine, St Augustine University, High Tech High, and San Marcos School District, along with programs like the San Marcos Promise, the Palomar Promise, and Gear Up and AVID for educating tomorrow’s workforce.

Our schools are a major reason San Marcos is on the map; they directly impact the region’s talent pipeline, make families want to move here and help our businesses thrive.

It is the collaboration between the City, our educational institutions our businesses, community organizations and the region, that creates the high quality of life, in San Marcos.



[Community Partnerships]

As we look to the next four years, you will see our other partnerships strengthened to help achieve our strategic priorities.

Our partnership with our schools, with our 78 Corridor cities.

Partnerships with the Boys and Girls club and many other community service organizations. With North County Health Services and Tri City Hospital. With our utilities such as Vallecitos Water District, SDG&E, EDCO, Cable providers; the Chamber of Commerce and so many more.

Again I want to emphasize our partnership with our businesses and the San Marcos Chamber of Commerce, Executive Committee Chair Carla Royter and President Rick Rungaitis.

We continue to feature the State of the City during the Chamber's business awards luncheon to recognize the business community and celebrate both the City's work, and the Chamber's dedication to seeing our community thrive.

[CLOSING]

San Marcos is a place where you can go from grade school to graduate school, find a fulfilling job, start a business, buy a home, raise a family and retire.



By embracing the hometown qualities that attract young families, celebrating education, welcoming business and partnering with our community, our city is transitioning from a “drive-through” community to a “drive –to” destination.

As the City’s star continues to rise, your city is committed to meeting new challenges that a growing community experiences.

But most of all, San Marcos will continue to stand out because of our people—dreaming, striving and thriving.

By working **together**, the best is yet to come.

We can be a city whose industry and innovation continues to make the region a better place *and* provide good jobs.

We will continue to be North County’s education hub, whose own young people know that they can make their dreams a reality.

Together, your City Council is focused on getting to work so that residents now and future generations can discover life’s possibilities right here in San Marcos.

Thank you.

[END]