

Moving Tucson Forward

March 1, 2019 State of the City Address

Mayor Jonathan Rothschild

INTRODUCTION

Good afternoon. Thank you for coming.

Thank you to the Tucson Metro Chamber and the Tucson Convention Center for hosting this year's event. Part of today's proceeds is being shared with Startup Tucson, which works to grow Tucson's entrepreneurial ecosystem, and Old Pueblo Community Services, which helps people emerge from homelessness. Please join me in recognizing the Chamber for this donation and Startup Tucson and Old Pueblo Community Services for their work.

I'd like to thank City Manager Mike Ortega, city staff, and my colleagues on the City Council: Paul Cunningham, Paul Durham, Richard Fimbres, Steve Kozachik, Regina Romero, and especially Shirley Scott. Shirley will be leaving at the end of this term, having given the City of Tucson and Ward 4 24 years of service—and having personally distributed thousands of backpacks filled with school supplies at her annual Back to School Bash. Shirley, you'll be missed.

Today, in 2019, we continue to move Tucson forward—in economic development, civic innovation, and community building.

ECONOMIC DEVELOPMENT

Last year saw growth in Tucson's private and nonprofit sectors. A mayor likes to see good projects being built. And we've been seeing a lot lately.

We welcomed the arrival of Amazon, Axiscades, and Imperfect Produce.

We celebrated the expansion of Casa de los Niños, Chamberlain Group, C3/Customer Contact Channels, El Rio Health, Ernst & Young, GEICO, Goodwill, Health Information Management Systems, Hexagon Mining, KE&G Construction, Mister Car Wash, Mural Consulting, Northwest Healthcare, Raytheon, Texas Instruments, and TuSimple.

With the opening of City Park and the MSA Annex, and with groundbreakings at Caterpillar, The Flin, The Monier, RendezVous Urban Flats, and 75 E. Broadway, our downtown and west side have really taken off.

We celebrated the renovation of Hotel McCoy, a fully restored, mid-century modern hotel on Tucson's west side. Other hotels at various stages of development include: Hilton brands DoubleTree at the Tucson Convention Center, and Hampton Inn and Home2 Suites at Cathedral Square; Marriott brands Element and Moxy at Broadway and 5th; and AJ Capital Partners brand Graduate at Main Gate.

To show off what Tucson has to offer—one of my favorite duties as mayor—we put on a tour for members of the Site Selectors Guild, the people who help companies choose where to expand or relocate.

And because companies want to build on land that's shovel ready, the Council passed a Water Infrastructure Incentive, to attract employers to areas inside the city that lack water infrastructure, but are otherwise suited for commercial use.

We even attracted a developer, Harsch Investment Properties, that's building a 157,500 square-foot industrial facility on spec, signaling confidence in our economy.

That's moving Tucson forward.

We made gains in the Five T's of our local economy—technology, trade, transportation, tourism, and teaching.

Technology

In technology, we approved an agreement with AHCCCS that allows the city to pull down federal funds for graduate medical education at Tucson Medical Center.

With Visit Tucson, Banner University Medical Center, Northwest Healthcare, St. Joseph's Hospital, Tucson Medical Center, and two hospitals in Sonora, we launched the BiNational Health Alliance to promote medical tourism in the region. This involved physicians from Tucson visiting hospitals in Hermosillo and vice versa—so all could better understand the treatment options available in each city.

Raytheon opened the first of several new buildings, part of an expansion that's creating more than 1,900 jobs over 10 years, while Caterpillar's new Tucson Mining Center, that's creating more than 630 jobs over five years, is expected to open this year.

Trade

In trade, the U.S. Department of Transportation awarded a \$25 million grant to support improvements to State Route 189, which connects the Mariposa Port of Entry to I-19. I traveled to Washington for the SelectUSA Investment Summit, an event that promotes foreign direct investment in the United States, and to Montreal, a city that, like Tucson, has important aerospace and hospitality sectors—and a tourist season that's a perfect complement to ours. I also met with the Sonoran Secretary of Economy, Jorge Vidal, to discuss binational commerce. It's important to maintain good relations with our international friends.

Transportation

In transportation, Tucson International Airport won final approval from the Federal Aviation Administration and the U.S. Air Force for a \$218 million Airfield Safety Enhancement Project that includes a new runway. Design begins this year.

Through the RTA, we completed Phase 2 of the Grant Road Improvement Project, widening the street from four to six lanes between Stone and Park, and adding bike, pedestrian, and other features.

And we completed road restoration using Proposition 409 funds, ultimately paving more than 1,112 lane miles of city streets. We've seamlessly transitioned to using Proposition 101 funds, which are allowing us to continue, for another five years, the \$20 million annual investment we've been making in road restoration since 2012.

Tourism

In tourism, TIA added nonstop flights to Austin, Bellingham, Charlotte, Denver, and Provo, and opened a new terminal for ultra-low-cost airlines, giving Tucsonans more travel options and making Tucson a more competitive vacation destination.

After welcoming hockey to the TCC in 2016 with the Tucson Roadrunners, we'll welcome indoor football to the TCC later this month with the Tucson Sugar Skulls—adding professional sports to our Downtown Entertainment District.

Sadly, we lost the organizer of the Jazz Festival, Yvonne Ervin, who passed away last year. She accomplished so much for music in Tucson. Our condolences to her family. Yvonne will be missed.

Teaching

In teaching, thanks to the Metropolitan Education Commission, Tucson was selected as one of 25 cities to receive a FAFSA Completion Challenge Grant, reflecting the gains we've made in getting more students to complete the FAFSA—Free Application for Federal Student Aid—an essential first step in applying to college.

And Pima Community College, a vital community resource, partnered with Caterpillar to train its engineers in hands-on manufacturing processes, giving them practical knowledge that can influence their design decisions. Pima also committed to invest in Centers of Excellence—an approach to education that collaborates with employers to train students in the skills they need. They expect to break ground on their first Center this year—the \$45 million Center of Excellence in Applied Technology—on land adjacent to Pima's Downtown Campus. Pima has come a long way in a few short years, and that progress couldn't be more welcome.

CITY SERVICES

While the city worked with external partners in the business community on economic development, we also worked internally with our own departments to innovate and improve services.

In part, this is a tale of three propositions: Proposition 409, which passed in 2012; Proposition 101, which passed in 2017, and Proposition 407, which passed last year.

Proposition 409 funded a five-year road restoration program. We completed that, on time and under budget, and moved on to Proposition 101, which funds road restoration and public safety. We're in the first year of this five-year program, and broke ground on our first road project in January. On the public safety side, items already purchased and deployed include 121 patrol vehicles, 300 body-worn cameras, and 458 ballistic vests for our police department, and 4 paramedic vehicles, 62 cardiac monitors, and 294 sets of turnout gear for our fire department. These tax dollars are going to help save lives.

Proposition 407 funds a nine-year Parks + Connections program. With this milestone, we've gone from "needs" (roads and public safety) to "needs plus wants" (safer pedestrian and bike routes plus better parks).

The city's performance on these propositions, under the heading "Tucson Delivers," continues to go a long way toward building trust in city government. Each time, we set out what we're going to do and when, and we created a citizen oversight commission to review and report on our progress, and make sure we do what we said we'd do.

In 2012, Prop. 409 passed with less than a 1 percent margin—a landslide. In 2017, after five years of showing progress on our roads, and that the city could be trusted to do what we said we'd do, Prop. 101 passed with a 22 percent margin—61% to 39%. In 2018, Prop. 407—the first ballot measure that did not include roads, except for bike and pedestrian features—passed with a 12 percent margin—56% to 44%.

Would City Manager Mike Ortega, Transportation Director Diana Alarcon, Deputy Police Chief Chad Kasmar, Interim Fire Chief Joe Gulotta, Parks and Recreation Director Brent Dennis, and anyone who served on one or more of these citizen oversight commissions please stand and be recognized? Thank you. The trust you and your teams helped build is why, once again, Tucsonans can have nice things.

When we started, seven years ago, Rio Nuevo's false starts and contentious lawsuits had eroded trust in city government. One of my first tasks as mayor was to resolve those disputes. We did that, and the city and Rio Nuevo became allies, not adversaries, in downtown's development.

Since then, through the leadership of our city managers and department directors, and through the work city staff do on a daily basis, we've continued to rebuild trust in city government.

Part of that is recognizing excellence.

Last year, the Tucson Police Department won federal grants to expedite DNA testing, expand services to Spanish-speaking victims of domestic violence and sexual assault, and train emergency room nurses to assess strangulation injuries. TPD was also named a Law Enforcement Mental Health Learning Site—an agency that other agencies can learn from—by the U.S. Department of Justice. And TPD's homicide clearance rate is well above the national average.

TPD rolled out its opioid deflection program last summer, giving low-level drug offenders the option of going into treatment—being picked up or dropped off, right then, at a treatment facility—or going to jail. The University of Arizona’s Center for Rural Health is monitoring the program. So far, an encouraging 66% of those deflected remain engaged in treatment.

Working with TPD Chief Chris Magnus, City Manager Mike Ortega, and my colleagues on the Council, we adjusted pay to retain more mid-career police officers, and committed to increasing the size of the force by 20 officers per year over five years. We’re in year two of that commitment.

Tucson City Courts also won federal grants last year: nearly \$2 million over five years for Tucson’s Veterans Court, and \$549,000 over three years for Tucson’s Domestic Violence Court. Congratulations to Judge Michael Pollard and Judge Wendy Million.

The Tucson Fire Department maintains its ISO Class 1 rating, the highest rating for fire prevention and suppression, and continues to work with healthcare and social service providers through TC3, Tucson Collaborative Community Care. TC3 has specialized EMTs visit frequent 9-1-1 callers, assess their needs, and help them navigate the healthcare system, whether that’s scheduling appointments, filling out paperwork, or arranging transportation.

Our city manager works with department heads to put the city on a sound financial footing. Last year he created a new Business Services Department, consolidating related services that resulted in an annual savings of \$2.1 million. This is the first year in the last three years that we haven’t had to put our entire modest surplus toward public safety pensions. We continue to build up our cash reserves, and we’ve been able to give long-overdue raises to city employees.

COMMUNITY

Everything city government does, economic development or civic innovation, is in service to one goal: building community.

Last year’s community building activities centered on education, housing, and other initiatives that add to quality of life.

Education

On education. We’re in the fourth year of our Community Schools initiative, a program that places AmeriCorps VISTA members in middle and high schools to connect students and their

families with wrap-around services from local nonprofits, including help applying to college and for financial aid, and help completing the FAFSA. Community Schools is supported by \$3.5 million in grants from the Corporation for National and Community Service.

We announced a partnership with Act One, a nonprofit that provides free field trips to arts and cultural events for K-12 students in Title 1 schools.

We continued to encourage more Tucsonans, especially men of color, to mentor local youth through one of a number of local programs. I participate in one of these programs, and if I can find the time, so can many others. It's a good feeling to help a young person find their own path.

Mentoring isn't the only way we help young people. College and career fairs are also important, and whenever I attend these at TUSD or Sunnyside, I'm always taken by how eager students are to learn about their options for life after high school.

In 2014, we started Steps to Success, our program with TUSD where we knock on doors and encourage students who've dropped out to come back to school. Since then, these walks have brought 617 students back to school, and 96 have graduated, brightening their future and strengthening our community.

Housing

On housing. Last year saw the return of the Pathway to Purchase program, which provides down payment assistance up to \$20,000 in targeted zip codes in Tucson and Pima County. We also announced a program to help homebuyers renovate their homes and improve energy efficiency, and my office held two Homebuyer Expos: one with Pima Area Labor Federation, and one with TUSD.

We made gains in affordable housing. Between the eight Low-Income Housing Tax Credit construction projects approved or opening in 2018 or this year, we have an additional 389 affordable housing units for low-income families, seniors, and people experiencing homelessness, including veterans.

We announced a program to help veterans age in place, in collaboration with Purple Heart Homes, the National League of Cities, and SAHBA. And, since launching our initiative to end veteran homelessness in June 2013, working with many community partners, we've housed more than 3,000 formerly homeless veterans.

Quality of Life

Public safety adds to quality of life. Last year, we reduced the speed limit on a couple segments of city streets so they were consistent throughout and didn't go up and down. Through the RTA, we added funding for bike and pedestrian improvements in a number of areas. We also approved a Complete Streets policy, shifting perspective from the overwhelmingly car-centric view that prevailed decades ago, to one that's more balanced, and considers the needs, and safety, of all road users.

Employment adds to quality of life. Second Chance Tucson held its fifth Community Forum and fifth Re-entry Job & Resource Fair last year—helping people overcome past convictions and find employment.

Diversity adds to quality of life. Tucson remains an immigrant welcoming community. Our Citizenship Campaign continues to promote citizenship and English classes, and legal and financial assistance remain available through Chicanos Por La Causa, Pima Community College, Pima County Public Library, and Vantage West Credit Union.

Environment adds to quality of life. The city joined a 2030 District with the county, the University of Arizona, and private entities, which together represent 23.4 million square feet of buildings in the downtown and university areas, to drive down energy and water use and reduce greenhouse gas emissions.

Recreation adds to quality of life. With the agreement of the city, the county, and the Department of Defense, the 100 Acre Wood Bike Park started construction using volunteer labor by Sonoran Desert Mountain Bicyclists, and trails are already open and in use. That park will be a great amenity for Tucsonans, Airmen, and their families. And the Parks + Connections Bond, which passed last year, will improve 100 city parks and give Tucson more than 17 miles of new linear parks and more than 120 miles of new low-stress bikeways, shared-use pathways, and sidewalks. That's going to be transformative for our city.

GOING FORWARD

There are nine months left in my term as mayor. As President Obama said of his last year in office, I intend to leave it all out on the field.

Here are some of the projects I want to pursue, with my colleagues on the council, city staff, and community partners.

- Extend the Central Business District, so more projects can qualify for the GPLET incentive.
- Continue to work on revitalization projects in commercial corridors: Broadway Boulevard, Grant Road, Houghton Road, the Millville Neighborhood, Oracle Road, and South 12th Avenue.
- Get Parks + Connections Bond projects off to a good start.
- Create city incentives that promote transit and green building practices.
- Move forward with an Urban Innovation District, repurposing older properties downtown to create a hub for visionary startups in the arts, social services, and technology, starting with the Roy Place Building.
- And take a multi-pronged approach to the issue of evictions. More than 9,000 Pima County residents are evicted each year. Tenants and landlords need to know their rights and obligations. They need to know what resources are available to help them resolve disputes. And Justice Court policies and procedures need to change to make those resources more available and to require reasonable proof of rent owed.

Last year, I called out our state legislature for chipping away at cities' revenue base. Apparently they weren't listening, because this year they're taking another swipe at preventing cities from collecting sales tax on digital products, such as Software as a Service or SaaS. If S.B. 1460 passes, the estimated cost to the city would be between \$1.9 and \$2.4 million next year, with that number continuing to grow, year after year.

Although Software as a Service has the word "service" in its name, it also has the word "software," and software is a product, just like digital movies, games, and books are products—and products are taxed.

When legislators or business groups back this kind of tax-exemption nonsense, they're working against their own constituents. The businesses and people they represent are located in cities, not the cloud, and they want the things sales tax pays for: roads, parks, and public safety.

CONCLUSION

This will be the last time I will speak at this event. I've focused on last year, but let's not forget how far we've come over the past seven years.

We resolved the Rio Nuevo dispute, built the modern streetcar, and put in place business incentives that helped transform our downtown.

And not just our downtown, but our economy. Two companies that received city incentives, Caterpillar and Raytheon, account for more than 2,500 new jobs and more than a billion dollars in economic impact.

What does this mean for the people who live here?

Let's look at some Census numbers—estimates from the American Community Survey. From 2011 to 2017, the most recent ACS numbers available, in the City of Tucson, civilian unemployment fell 3.4 percentage points. Median household income rose 14.2%. And the number of children living in poverty fell 9.5 percentage points.

Economic development—done right—improves people's lives. That's why city government should be involved in helping businesses thrive—businesses that pay a living wage—because they bring jobs that support families, and because they bring revenue that pays for city services.

That's why I worked to create a City Office of Economic Initiatives, and why I'm pleased to welcome the new head of that office, Barbra Coffee.

In my seven years as mayor, I've run five successful campaigns: two for mayor and three for city ballot initiatives. We took none of these elections for granted. We did our best to make a case to voters, every time. That's the way it should be.

Now, others will be making their case—for continuity, change, or a combination of the two.

Whatever the outcome of this year's mayoral race, they'll be inheriting an economy that's more diversified, a nonprofit sector that's more unified, and a city that's come through adversity stronger and more efficient.

They'll be inheriting outstanding leadership: our city manager, Mike Ortega, our city attorney, Mike Rankin, our city clerk, Roger Randolph, our police and fire chiefs, the directors of Tucson Water, Transportation, Planning and Development Services, Parks and Rec, Housing and Community Development, Environmental and General Services, Business Services, and all the departments and divisions that make up city government.

They'll be inheriting a professional staff: 4,500 public servants who care about this city. It has been my pleasure and my privilege to work with all of them.

My vision for Tucson—the vision I've shared with you, and worked on, these past seven years—includes economic development, responsive government, environmental stewardship, and commitment to our people, especially those who need help. Help learning to read. Help graduating high school and applying to college. Help getting back into the job market after prison. Help buying a home. Help becoming a citizen.

The caution I'll share with you is against governing by ideology. A saying I try to live by is this, "It is nothing to be right, and a true disaster to be righteous, but it is everything to do what you can."

That's how I've tried to approach my time as mayor. Not with self-righteousness, but by doing what I can—what we can, because there's very little I've done on my own. My office has its own small staff, whose hard work I'm very grateful for. And I've had help from others inside and outside city government—hundreds of you.

I want Tucson to be a city where our children want to stay, and can stay. Want to stay because of the community and its quality of life. Can stay because there are good jobs here. If I've helped get us closer to that goal, then I've done my part. I know I've been fortunate to have my three adult children living here in Tucson. Of course, they really like their mother.

My advice—for everyone, not just the next mayor—is this: Work together toward common goals. If you can't convince people who should be on your side to do what you want, reconsider what it is you're asking for.

I made a promise when I ran for mayor: that I would work long and hard every day to move Tucson forward. That's all any of us can do—work diligently and in good faith.

The job of a mayor is what you make of it. Just like a city is what its people make of it.

Thank you for all you do for Tucson, and for allowing me the great privilege and honor of my life, serving as your mayor. Thank you.