

Tucson: A Reliable Partner

March 16, 2017 State of the City Address

Mayor Jonathan Rothschild

INTRODUCTION

Good afternoon. Welcome. Thank you for coming.

I'd like to welcome three special guests: Tucson Police Officers who were shot in the line of duty last year. In the first incident—a traffic stop—a bullet grazed the head of Officer Robert Miranda. In the second incident—serving a warrant—Officer Doug Wilfert was shot in the leg. His partner, Officer Jorge Tequida, was shot in the shoulder and the bullet entered his arm and chest. All three officers have since returned to duty. Gentlemen, would you please stand. Please join me in thanking these officers for their service.

We're glad—very glad—you could join us. [*Please be seated.*]

I'd like to thank the Tucson Metropolitan Chamber of Commerce and J.W. Marriott Starr Pass for hosting this year's event. I'd also like to thank the Chamber for sharing proceeds with the Community Food Bank of Southern Arizona, which distributes more than 63,000 meals a day through more than 300 nonprofits. Please join me in thanking the Chamber for their donation and the Community Food Bank and its partners for their work.

Thanks also to my colleagues on the City Council, City Manager Michael Ortega, city staff, and the many, many people who have worked with me on various projects this past year. Your insight and initiative are greatly appreciated.

For a city to grow and prosper takes people and organizations working together in partnership toward common goals.

In my five years as mayor, I've been pleased to see our city government work in partnership with businesses and the community. The City of Tucson is a good partner, a reliable partner, as we've proven time and time again during my tenure as mayor.

ECONOMIC DEVELOPMENT

Let's look at economic development.

In August, Bloomberg reported that Tucson had the third-fastest job growth rate of any metro area in the country. That didn't just happen. It took all of us working together in partnership—

the city, the county, the state, Rio Nuevo, Sun Corridor, and our business community. It took improved roads, added flights, business assistance and incentive programs, and more.

The city's GPLET, Primary Jobs, and Global Economic Development District incentives have helped bring thousands of jobs and billions in economic benefit to Tucson and the region.

Raytheon is investing \$233 million in buildings and infrastructure and creating 1,900 jobs over five years—jobs that pay, on average, \$110,000 a year. This is Raytheon's largest expansion in Tucson in decades, and city incentives helped make it happen.

Incentives also helped bring in new employers:

- Comcast, with a bilingual customer support center and 1,125 jobs in its first year
- HomeGoods, with a distribution center serving the Western United States and 900 jobs over 15 years
- Caterpillar, with a regional headquarters and 600 jobs over five years, paying an average salary of more than \$92,000 a year
- and WorldView, with a corporate headquarters, manufacturing plant, and spaceport and 448 jobs over five years

City incentives are helping build two new hotels—an AC Hotel by Marriott downtown and a Residence Inn by Marriott near the University of Arizona.

We're going to need those hotels. Metro Tucson's lodging revenue grew 12% last year. Since July, Visit Tucson generated \$22 million in travel media coverage for our region. That's up from \$5.4 million for the entire year just two years ago.

Smaller employers have also used city incentives for everything from turning a closed auto repair shop into office space, to redeveloping a closed TUSD school into a transitional care facility.

By offering incentives, the city is being a good partner, a fair partner, to businesses and taxpayers alike. With all our incentives, businesses benefit, but taxpayers benefit more—through job creation, job training, public infrastructure improvements, and tax revenue from private investment.

Of course, incentives aren't the only tools the city uses to promote economic development.

We granted amendments or rezonings for exciting new projects:

- at Banner University Medical Center Tucson for a new tower
- at Irvington and I-19 for a new commercial center
- at La Placita for a new mixed-use development
- at Pima and Rosemont for a new transitional care facility
- at Townsend Middle School for a new Pima Medical Institute campus
- and at Trinity Church for a new mixed-use development

We streamlined processes. Last year, we combined advisory boards, closing the Sign Code Advisory and Appeals Board and transferring their powers to the Board of Adjustment. We made changes to allow smaller projects to use Planned Area Developments. We established an administrative process for setback relief. We made these changes because, like any good partner, we listened to our customers: businesses and residents.

We listened when the Metro Chamber came to us with Project Prosperity, looking at seven areas of interest to the business community, and we made changes as a result of that process—including creating an Adaptive Reuse Pilot Program with Council Member Uhlich to help develop older buildings into new, viable businesses.

The city works with partners for the same reason businesses do: to do more—hopefully more good—than we could do on our own. Some examples from last year:

With Rio Nuevo: We authorized Rio Nuevo to make expenditures for a new Greyhound Bus terminal and for improvements to the Tucson Convention Center—improvements that helped bring in the Tucson Roadrunners.

With the Regional Transportation Authority: We authorized five transportation projects under the RTA plan:

- on Broadway from Euclid to Country Club
- on Park from Speedway to Ft. Lowell
- on Houghton from 22nd to Irvington
- on Valencia from Kolb to Houghton
- and on Grant from Oracle to Swan

With Davis-Monthan: We signed four MOUs, agreeing to work together on:

- emergency response—coordinating between the base and our police and fire departments
- language skills—starting a program for Airmen to study foreign languages through the University of Arizona’s Critical Languages Program
- spousal employment—helping civilian spouses find work when their active duty husband or wife is assigned to D-M
- and quality of life—creating a mountain bike facility next to the base for the enjoyment of Airmen, their families, and the community

It’s not enough to thank our Airmen for their service. We need to make a difference in their lives, and these initiatives do just that.

Partnerships can exist even among competitors. The Healthcare Sector Partnership, which my office facilitates, is an industry-led gathering of hospitals and healthcare providers that works collaboratively on common areas of interest. So far, those include:

- talent development—focusing on the training and advancement of employees
- marketing—working on making Tucson an international destination for healthcare services. Our local hospitals—Banner, Carondelet, Northwest, and TMC—kindly responded to my request and pledged resources to this effort, working with the city, the county, and Visit Tucson.
- innovation—working on connecting researchers with practitioners
- and coordination of care—focusing on opioid abuse. Last month, Tucson Medical Center, which co-chairs that group, hosted a meeting at El Rio Community Health Center to develop action items to combat this national epidemic.

We continue to work to strengthen relations with Mexico, which is critical to our local economy.

In April, I led a trade mission to Mexico City, where I met with former Mexican President Vicente Fox and representatives of Startup México and the Carlos Slim Foundation. In January, President Fox visited Tucson, and we signed an agreement to bring Mexican companies here to work with Startup Tucson’s Thryve Latin America program. As another result of these meetings, President Fox is working with Chancellor Lambert and Pima Community College on replicating our community college system in Mexico.

My office held our second Borderlands Trade Conference, which was attended by more than 350 business and government leaders from Arizona and Mexico. In October, working with PAG, we're going to hold our first Borderlands Transportation Conference, focusing on transportation and logistics in the border region.

We added nonstop flights to Hermosillo, continuing to Culiacán and Guadalajara—the capital cities of Sonora, Sinaloa, and Jalisco, and hub airports to the rest of Mexico.

I continue to meet with mayors and governors in Mexico, especially in the northern states of Sonora and Sinaloa. Our Mexican partners appreciate these friendly, respectful overtures and, like us, continue to be interested in working together on economic development. As anyone who's run a successful business knows, good partners don't alienate their suppliers—or their customers.

CITY SERVICES

These are projects that promote economic development, and that's important. But whatever else the city does, we have to come through on the basics—police and fire, roads and streetlights, parks and recreation, water and sanitation. Key to any productive partnership is holding up your end of the bargain.

We continue to work to deliver city services effectively and efficiently, and to save taxpayers money.

For the first time since the recession, we achieved structural balance with the 2017 budget.

We saved on labor costs by approving incentives for employees eligible for retirement.

We saved on procurement costs by recovering \$1.7 million in parts and labor for streetcar manufacturing delays, and by using the P-card for purchasing—a citywide bank card—which earned us a rebate of more than \$849,000.

We saved on jail and court costs by holding court on Saturdays, so people could take care of outstanding warrants on their day off, and we're working to implement a system to send electronic reminders of upcoming court dates.

We saved on energy and water costs by recovering \$17 million from the U.S. Air Force to reimburse the city for Tucson Water's AOP Water Treatment Facility, and by installing more than 14,000 LED streetlights, expected to reduce energy consumption by 40%.

We saved on transit costs by making service changes to Sun Tran bus routes and transfers, estimated to save more than \$714,000.

And, where we needed to make changes to fee structures to address rising costs, we did—with transit fares and with golf fees.

These things help our balance sheet—so we can help Tucsonans. For example:

In parks: Each summer, over the past two summers, around 1,500 children and youth ages six to 18 have used the SummerGO Youth Pass, a program Council Member Cunningham pushed for, which provides unlimited rides on Sun Tran and Sun Link plus unlimited use of city swimming pools from May 22nd to August 5th. Over the next couple of months, we'll go through the federal process required to change this from a temporary, promotional program to a permanent fare.

With help from the American Red Cross, city parks provided more than 1,000 \$2 swimming lessons to low-income families. With help from the Arizona Daily Star, we launched a free books program at parks facilities. And, working with discounted materials and donated labor from Horticulture Unlimited, we're creating a Compassion Garden at Rio Vista Park—a meditative space for people who are grieving a loss, with information on where to find help.

In water: We've worked with the Central Arizona Project and the lower basin states to be prepared if and when a shortage is declared on the Colorado River. However, with widespread heavy snowpack in the Colorado River Basin, that looks less imminent than it did a while ago.

In transportation: We added new Park and Rides, built or refurbished more than 100 bus shelters, and increased frequency on some bus routes to every 15 minutes during weekday working hours.

We added bike and pedestrian safety enhancements and reached more than 21,000 students with our Safe Routes to School program.

And, with funds from the voter-approved 2012 streets bond, we've resurfaced more than 850 lane miles of city streets. Because projects came in ahead of schedule and under budget, we were able to add about \$40 million of road work to the original plan, at no additional cost.

In public safety: At Council Member Scott's request, we're drafting a street racing ordinance to address this threat to public safety. People who use city streets as racetracks put lives at risk—their own, and those of everyone else on the road.

We hired a new Police Chief, Chris Magnus. Since then, the Tucson Police Department has reorganized, increasing the number of officers on patrol while saving the city's General Fund \$7 million.

Other improvements:

- What used to take months, getting forensic results on firearms, now takes hours.
- And, where officers used to have to get suspect photos at the station, now they get them in real time, on department-issued cell phones—which also let them be more accessible to members of the public.

The Tucson Fire Department has reason to be proud, too. Tucsonans enjoy lower premiums on their fire insurance thanks to TFD's score on the industry's classification system. In May, TFD will achieve the highest classification for fire protection—something we want to keep.

Last year, TFD also implemented TC3, Tucson Collaborative Community Care, with more than 35 partner agencies, allowing EMTs to connect people with resources and follow up with an agency management team, reducing the likelihood of repeat 9-1-1 calls.

Tucson's police and fire departments are one reason neighborhoods choose to annex into the city. Last year, we completed four annexations covering 534 acres, bringing in more than \$474,000 in state-shared revenue.

On the subject of state-shared revenue, good partners don't threaten to pull their funding if they don't get their way on everything.

Local government exists to make decisions on local issues. If we lose that ability—if Tucson has to be just like Mesa, or Bisbee has to be just like Kingman—we lose the benefit of experimentation. We lose the diversity that sparks innovation. And for what?

The City of Tucson will continue to fight for the principle of local control, in partnership with the League of Arizona Cities and Towns and the municipalities it represents.

COMMUNITY DEVELOPMENT

I've talked about economic development and city services. Now, community development.

The city has a limited staff and budget. The mayor's office, much more so.

All my community initiatives are the result of partnerships with others—businesses, government, and nonprofits.

In education: Results are in on our Community Schools initiative, started with a \$1.4 million grant from the Corporation for National and Community Service. More than 2,900 students and their families were connected with social services through Community Schools and its partner agencies last year. Most of the high schools served increased the number of students completing the FAFSA, the application for federal student aid—an essential step in applying to college. I especially want to congratulate TUSD’s Pueblo Magnet High School for coming in first, with an increase of 14.3%.

We continued our Steps to Success reenrollment walks, knocking on doors of students who’ve recently dropped out. Since its start in 2014, that program has brought 542 students back to school, and 76 of those have graduated.

We launched our Great Start program, a partnership with school districts and nonprofits in the arts, history, and science, to reward students for achievement who couldn’t otherwise afford to visit a museum or attend a play or concert. The program provides admission for the student and one adult—in some cases, providing families with their first experience of an art museum, live theater, or the symphony.

Going forward, my office is meeting with community partners to increase the number of men of color willing to mentor boys and young men of color through Big Brothers, Big Sisters, the Boys & Girls Club, the Desert Men’s Council, Goodwill, Youth On Their Own, and our faith communities. As this effort takes shape, I’ll be reaching out to city departments as well as the community, in partnership with the Arizona Daily Star, to look for volunteers.

In housing: We launched Help for Homebuyers, a compilation of new and preexisting homebuyer assistance programs including Pathway to Purchase, President Obama’s program that provided \$48 million in down payment assistance to homebuyers locally. Council Member Kozachik and I hosted a Homebuyer Expo at the University of Arizona to get the word out about these programs. In just seven months, Pathway to Purchase helped 1,371 individuals and families purchase homes in Tucson and South Tucson. That program has ended, having fully subscribed its one-time federal funding, but the rest of the programs continue, including Pima Tucson Homebuyer’s Solution, the Tucson IDA Mortgage Credit Certificate Program, and the City of Tucson HOME Program.

Homeownership strengthens the partnership between residents and the communities they live in.

Through December 2016, the homeless veterans program I launched with community partners in June 2013 has housed 1,983 homeless veterans—plus 427 chronically homeless people who are not veterans. Since December, Council Member Fimbres' Homeless Work Program has put crews to work cleaning city property twice a week, providing them with a day's pay and referrals to social service agencies.

In the community: We partnered with the Pima County Enrollment Coalition to get people covered under the Affordable Care Act. Since the ACA passed and the Health Insurance Marketplace opened, we've reduced Pima County's uninsured rate from 17% in 2013 to 11% in 2016. The Affordable Care Act has been a godsend for thousands of Tucsonans.

My office continues to work with the Second Chance Coalition, helping people successfully return from incarceration. Since 2014, we've held three symposia on re-entry for the community and three job fairs for ex-offenders. The first year, we had 32 participating employers. The last two years, we had 42. Our next job fair is in September—and we'd be happy to save a space for your company. For the 60 to 90 people hired at each job fair, every one of them is less likely to reoffend, thanks to an employer who was willing to give them a second chance.

Being a good partner means standing up for each other. In Tucson, we're doing what we can to welcome visitors and immigrants and to fight back against hate.

Before our December 6th City Council meeting, Vice Mayor Romero and I held a press conference with Chief Magnus and law professors from the University of Arizona's Immigration Law Clinic. We released the Tucson Guide for Immigrant Families, in English and Spanish. And, that evening, by a 7-0 vote, we passed a resolution declaring support for immigrant rights and condemning the threat of mass deportations.

In February, at my request, the City Attorney prepared, and the City Council approved as to form, a hate crimes ordinance that provides enhanced penalties for misdemeanors motivated by bias.

Tucson joined 33 other cities and counties as part of Cities for Citizenship. Locally, our Citizenship Campaign operates in partnership with Chicanos Por La Causa, Citi, Pima Community College, the Pima County Library, the United States Citizenship and Immigration Service, and Vantage West Credit Union, offering legal permanent residents educational, financial, and legal help with applying for U.S. citizenship. Since then, 30 additional partners have come forward locally to help in this effort.

Becoming a U.S. citizen increases earnings, employment, and homeownership, strengthening communities.

Time and again, certainly in my time as mayor, the City of Tucson has demonstrated that it's a good partner, a reliable partner, a trustworthy partner. When we passed the streets bond in 2012, we said what streets we'd fix and when. Then, we did what we said we'd do—and more, as projects came in ahead of schedule and under budget.

Why am I telling you all this? Because now, as funding from the streets bond ends, we're going to the voters with a new five-year plan.

Two months from today, when the polls close at 7:00 p.m. on May 16th, the City Clerk will start tallying returns in a special election to determine whether we continue with much-needed road resurfacing, whether we invest in much-needed public safety vehicles, facilities, and equipment—or not. That choice is in voters' hands.

We all know our streets need work—everyone knows a rough road when they see it—and we've all seen the difference the 2012 streets bond has made. But, when you see a City of Tucson emergency response vehicle, you may not know that, in some cases, you're looking at a vehicle that's 20 or 25 years old. And, unlike you and me, they don't get better with age.

In our fire department, 68% of the pumper fleet and 42% of the ladder fleet are past the replacement threshold—that's 10 years of service or 100,000 miles. 90% of paramedic vehicles are due to be replaced.

In our police department, 65% of police vehicles are at or beyond their useful life. More than 300 ballistic vests—equipment officers trust their lives to—are out of warranty and need to be replaced, and we also need to invest in body cameras, dash cams, and the software that goes with them.

These are tough jobs—police work and firefighting. Our officers and firefighters need the right tools to keep us safe, and to make their jobs safer.

If passed, Proposition 101 will increase the city's sales tax by one-half cent for five years. That's expected to generate \$100 million for roads and \$150 million for public safety.

On the streets side, 60% will go toward arterial streets and 40% toward residential streets. Again, we have a map showing what streets we'll fix and when. Again, we have a citizens' oversight commission to make sure we do what we say we'll do with the funds—and to select the residential streets.

On the public safety side, we have a list showing what emergency response vehicles, facilities, and equipment we'll repair or replace. A citizens' oversight commission will be checking on this, too.

The expected cost of this increase is just \$3 per person per month. For the cost of a cup of coffee a month, our community gets \$100 million for roads and \$150 million for 21st Century police and fire departments.

And here's something I bet you didn't know: Tucson has some of the lowest municipal sales tax rates in the state. We don't have a residential rental tax. We don't have a sales tax on groceries. In Arizona, just nine cities and towns have a lower retail sales tax rate than we do, and all of them charge residential rental tax, and all but two charge sales tax on groceries.

If Proposition 101 passes, that just means our rate moves to the median for the state. Marana is at 2.5%. Oro Valley is at 2.5%. And, if Tucson moves to 2.5%, more than 40 Arizona cities and towns will still have higher retail sales tax rates than we do.

CONCLUSION

I've talked about partnerships because that's how I've approached this job. That's how our city functions. The City Manager's "One City, One Team" is a reminder to all city employees and all city departments that we're working together toward common goals.

City government is a very lean operation—too lean, in my opinion. But that forces us to look to each other and work together, in partnership. And, in the time I've worked with many of you, and many of you have worked with others in the city, we've learned to trust—not that things can't go wrong, but that we'll find out, and fix it if they do.

We've had a good year, with lots of wins. But, as any coach will tell you, if you want to keep winning, you've got to keep working. Here in Tucson, with the resources we have, we're getting better at our game because we keep working at it.

When I ran for office, I told people I could promise them this—that I would work hard, every day, for the city I love. In this, I am not alone. I've been so encouraged by the number of people I see, every day, who are working to make Tucson thrive.

I am grateful to the many people who work with me and my office, who work with our city government, who work with our business and nonprofit communities—because when any part of this community improves, we all benefit.

In Tucson, we know this. Wherever we come from, however long we've been here—we help each other. Whatever we look like, whoever we love—we help each other. It's why this community invests in itself: because we see value in working together for the common good. It's what people love about Tucson. It's what I love about Tucson.

Thank you for your time today. Thank you for your continued support. Thank you for allowing me the great privilege of serving as your mayor. Thank you.