

2010 Cupertino State of the City Address

Honorable Mayor Kris Wang

Good afternoon, thank you so much for joining me here today for the State of the City address. Thank you to Cupertino Rotary and the Chamber of Commerce for not only graciously hosting this annual event, but for also dedicating so much time and passion to the improvement of Cupertino.

We have many distinguished guests here with us today and many others that I would like to thank toward the closing of the address. However, before I get started, I would like to recognize the great men and women of Cupertino who proudly serve our nation. Thank you so much to all of you for your dedication and service and for representing our city.

It is an honor to be here today to share with you Cupertino's recent successes, as well as provide a progress report on how our City is doing on all fronts, and finally, share with you my goals for the City in the coming year.

Some people tell me that a lot has changed in the world since I last stood up here in 2007. In 2007, our economy was at a peak. Today, we are slowly rebounding from a recession. In 2007, Yahoo and MySpace were so popular. Today, my kids tell me it's all about Twitter and Facebook.

True, we have gone through many changes together. Everyone seems to know a friend or family member who is recently unemployed. And everyone seems to have received holiday gifts, that weren't as good as they used to be.

However, I believe the changes we have gone through have only been on the surface, but the values that our City shares have stayed the same. These values are education, innovation, and community, and these values have continued to make Cupertino a great city.

Education remains Cupertino's strongest endeavor. Superintendent Polly Bove will share more with you shortly, but I am proud to announce that Cupertino's elementary, middle, high schools and even 2-years College are still rated among the best in the United States. We have some of the nation's finest instructors as well as world class resources at our fingertips.

In particular, the Cupertino Library still has the highest library circulation in Santa Clara County, and was recently rated one of the top 10 libraries in the nation serving a population of our size.

In addition, Cupertino City has continued to fund the School Resource Officers and crossing guards, as well as support the Teacher Housing program.

Over the last year, the City has partnered with the Cupertino Union School District to provide increased noon time activities on many of the school campuses. A new partnership with the Fremont Union High School District will lead to the launch of a Parks and Recreation Summer School program. And the City has also created a Leadership and Learning Partnership with De Anza College and the Institute for Community and Civic Engagement.

It is without any doubt that Cupertino has continued to foster an incredible environment of intellectual curiosity and discovery.

Beside education, Cupertino has continued to focus on innovation. Behind our successful schools are innovative educators. Behind our world-class businesses are entrepreneurs. As the heart of Silicon Valley, Cupertino continues to lead the way in new technology and creative solutions to the world's problems.

On April 30, 2009, Cupertino completed the state recognized and award-winning Mary Avenue Footbridge. This bridge has been a tremendous success and has become a symbol of innovation.

In addition, the City took steps this past year to encourage more solar installations by lowering solar installation building permit fees. Also, Cupertino is working with the county to secure a power purchase agreement for solar installations on three city sites at no cost to the city. As I will speak more about later on, Cupertino is focused on being a leader in the green revolution.

Recently, we adopted a new agreement with Recology in which food waste and other recyclable materials from all residents and businesses will be diverted away from landfills, a major step towards reaching the City's ambitious goal of 75% diversion of waste by 2014.

As part of the agreement, Household Hazardous Waste will be collected from residential doorsteps once a year and there will be two free Saturday morning drive-through, drop-off recycling events at De Anza College for Cupertino residents to drop off recyclable construction debris, used clothing, and electronic waste.

Finally, Cupertino has maintained its focus on the value of community. We have continued to invest in outdoor resources and activities as well as programs that promote community interaction.

Working with the Monta Vista Interact Club, Cupertino now has the Helping Hands program for volunteers who wish to keep Cupertino's parks clean. Volunteers can sign up online at www.helpinghandscupertino.org.

In early December, Sterling Barnhart Park broke ground and will soon provide 1.5 acres of park space for the neighborhood.

Another major project over the last year included the City-wide Earthquake Drill.

On July 4, 2009, we celebrated the Blackberry Farm re-opening, with phase I completed and phase II expected to finish in mid 2011. Working in partnership with the Cupertino Rotary and KaBoom, the City and its volunteers built the Captain Stephen's Playground at Blackberry Farm in just one day.

In addition, the City has resurfaced its tennis courts and upgraded the lighting at the Sports Center to continue encouraging healthy recreation for residents.

The City has also continued to foster communication with its residents in an effort toward transparency to the public. The Cupertino City Channel has been recognized with the NATOA Award and the Cupertino website has won numerous awards for keeping our community constantly informed and updated.

We have also continued to expand our E-Services. Through Cupertino.org, residents now can apply for permits, schedule building inspections, and renew business licenses.

Our Neighborhood Watch program has grown from 155 groups last year to 183 now representing 23% of residential streets. Our Electronic Community Alert Program, eCAP, has nearly [1700] subscribers who receive regular announcements about public safety. We also have our block leader program with over 330 leaders now.

So, while we've endured many changes over these last few years, we have still been able to maintain the same values of education, innovation, and community. It is a testament to the strength of Cupertino under the leadership of last year's mayor, Orrin Mahoney, as well as other mayor's past, that we have made such significant progress together.

Now, I would like to turn my attention to the status of Cupertino, particularly on where the City stands today on Education, Safety, Commerce, Development, Finances, Health, and Community Satisfaction.

I would like to invite my long-time friend and Fremont Union High School District Superintendent Polly Bove up here to provide an update on our schools.

[POLLY BOVE]

Like education, public safety has been a top priority for the City. Thus, I would like to invite Fire Deputy Chief Dirk Mattern and Police Sheriff Laurie Smith to provide an update on Safety in Cupertino.

[Dirk Mattern]

[Laurie Smith]

Next, I would like to talk about commerce and employment in Cupertino. Along with many other cities, Cupertino commerce has experienced its hardships. But on the whole, we have fared much better than most. With 27 new retail businesses already opened in fiscal 2009-2010, including Amici's, Staples, and Aqui (opening soon), we are well on track to beat the 95 new businesses opened in fiscal 2008-2009.

In Cupertino, office and R&D vacancy rates remain relatively low. Office vacancy is at 13.3% and R&D vacancy is at 4.5%, the only city [in Santa Clara County] to be in the single digits.

As for unemployment, California recently reported a 12.4% unemployment rate and Silicon Valley reported 1.8% unemployment. Cupertino, on the other hand, has an unemployment rate of 7.3%

For Housing Development and Planning, Cupertino saw 33 new housing units built in 2009, 28 of which were apartments and 5 were single family homes. The draft Housing Element was completed in June 2009. It is a state-required general plan element and is necessary to do an update every 5 – 7 years. City Council is expected to make final approval in spring this year after receiving approval from the State. While planning activity is down 20% [compared to last fiscal year], the [Planning Department] is capitalizing on the opportunity to implement process improvements and customer service initiatives.

On Cupertino's finances, the City did a fantastic job for our General Fund 2009, collecting nearly \$42 million in revenue while expenses and capital projects combined were kept below \$40 million.

For our General Fund 2010, we expect to be essentially breakeven between revenue and operating expenses. We expect a \$1.6 million investment toward new capital projects such as phase 2 of the Stevens Creek Corridor Park, additional improvements at Blackberry Farm and McClellan Ranch, as well as street resurfacing.

Usually, street maintenance is funded by gasoline taxes from the state, but this year, those funds are being delayed due to the state deficit, and our General Fund will have to finance it in the meantime. Other impacts of the state deficit include the state borrowing \$1.4 million from cities like ours, to be paid back in 3 years. Also, we have experienced some impacts due to the County deficit. The Valley Transit Authority (VTA) has unfortunately made cuts, including Outreach for seniors and 8% of bus schedules, to alleviate their expenses.

I am extremely proud that Cupertino has been able to maintain a balanced budget through difficult times, without having to make sacrifices such as layoffs and service reductions. Our City has remained financially solvent and in good condition to operate leanly in the coming year as the

economy rebounds. With a surplus, we have funds to maintain vital city services for any rainy days ahead.

On Health and Wellbeing in the City, our Cupertino Senior Center membership for programs and services grew to 2,284 members, a 2% growth in 2009. Volunteer service hours for senior center programs and services grew by an amazing 7%. Despite the economic downturn and state budget deficit, we continue to receive the full \$20,000 grant funding for senior adult case management from the Council on Aging.

Finally, in regards to Community Satisfaction, Cupertino recorded excellent results from the UUT Godbe survey in May 2009. Approximately 70% of the city residents surveyed were "Very" satisfied while 24% were "Somewhat" satisfied with their overall quality of life in Cupertino. Those were the official results, but I also consider my sons to be the unofficial barometer of Cupertino life. They have lived in New York, San Francisco and Los Angeles, and have traveled around the world, but still they come back home to Cupertino as often as they can.

Finally, I would like to talk about what to expect in the coming year and our areas of focus.

Back to the topic of education, we look to endure state budget cuts by supporting vital programs at our schools. The City will fund and support 10 school crossing guards, after-school enrichment programs at 20 school sites, 2 school resource officers, maintenance for the schools' sports fields, emergency preparation training and services at Cupertino and Fremont Union High School Districts, and the Nature Program for all 3rd graders.

I strongly believe that an investment in education is an investment in our future, and we cannot allow our students to be disadvantaged due to unfortunate budget cuts.

In regards to Commerce, I will look to enhance and promote economic vitality in the city. As you know, city services that benefit the community are directly tied to the strength of our local businesses.

We certainly appreciate the large corporate businesses in our city such as Apple, and HP, and we have made progress in this area with the approval of an increase in the general plan office allocation by almost 500,000 square feet in anticipation of future expansion of our city's major technology companies.

The increase in office allocation also supports Cupertino's mid-size companies, some of whom are Silicon Valley's future stars – companies like ArcSight – which was the Valley's only I.P.O. in 2008. These companies will need room to expand, and we want to assure them that they can grow right here.

We must also foster a positive and supportive environment for new businesses to come into Cupertino. In the coming year, I will look forward to working with our Chamber of Commerce to find creative ways to bolster membership as well as provide additional support services for our local businesses.

Now, in regards to Safety, I want to refocus our attention this year on school traffic calming measures in the tri-school area as well as near Garden Gate. It is a matter of safety for our children and nearby residents. Current solutions do not seem to be easing traffic flow, and so everything is on the table now as to what we can do to ease congestion and increase safety.

Also, in regards to safety, Lehigh Cement has been a recent topic of discussion. Residents have brought up their concerns of air quality, and while the business is not in our jurisdiction, we do take seriously any concerns of safety affecting our community. Early this month, a study session was held to educate the Council and other interested parties. We will continue to monitor the situation and take appropriate action pending any additional findings.

For the coming year, you can also expect improvements in our community development projects. We are in process of reinventing Black Berry Farm and Stevens Creek corridor to become an amazing resource for our residents to enjoy and stay active.

I already mentioned Homestead Park and Sterling Barnhart Park, but Quinlan Plaza is also getting work done. It is expected to be completed by this summer, where the old fountain structure will be removed and replaced with an outdoor plaza that can support community events.

I spoke earlier of our commitment to leading the Green revolution, and I want to explain what I mean. The first question is, what does it mean to go green?

To me, I think of it in terms of Balance, the Balance between meeting the needs of today without compromising the ability of future generations to meet their own needs. Thus, the goal of going green is for the community to live sustainably.

The second question is, why should we go green? Well, obviously because Al Gore said so!

Joking aside, the important point here is that I believe it is our moral obligation. We have all grown up in a world where we have advanced so rapidly; drilling oil to fuel our cars and using silicon to run our computers. I have enjoyed it and want my kids and future residents of Cupertino to continue enjoying it. Simple as that.

Another reason that many people don't know is that going "Green" often means saving "green," or in other terms, if we spend less on resources, we can spend more elsewhere. For example, Public Works facilitated a detailed energy audit conducted for Cupertino by Siemens Corp, which identified areas including streetlights, irrigation equipment, interior lights and network power management as areas of priority for future investment. Implementing these measures will reduce 700,000 pounds of carbon dioxide and 400 thousand dollars in energy and water consumption each year. In addition, Public Works continues to institute energy and water conservation activities. In doing so, the City achieves monetary savings and efficiency of operation that allows us to focus our resources elsewhere and conserve our resources such as water for a rainy day, or I should say, a drought day.

The City will also continue its work with the Sustainability Task Force and Acterra to educate and inform the public. Acterra's Green@Home helps communities take action by making their homes more energy efficient. House calls are free, sponsored by the City of Cupertino, and available to all residents whether you rent or own.

In addition, Cupertino will work with county and state government agencies to comply with green building codes adopted by the State of California, assure construction compliance with new EPA clean air requirements, and implement municipal regional permit requirements for more stringent storm water pollution rules.

Finally, in the coming year, Cupertino will be focused on demographics with the 2010 census. It is a major initiative in which all Cupertino citizens and non-citizens must be counted. The importance here is that the data is used by the federal government to allocate \$300 billion in funds to states and communities, and local governments and businesses use the data to help decide where to locate new facilities such as schools, roads, supermarkets, and day care facilities.

As a council-member, now in my seventh year and second-time as Mayor, I am constantly reminded in everything we do, that the people and neighborhoods are at the core of Cupertino. It is our residents, families, neighbors, and friends that make up this community, that drive this community. It is so wonderful to be a part of a community where the people take so much pride in

the city, where citizens not only take interest in how the city is shaped but also take action and get involved. This defines the greatness of our city.

I would like to say thank you to thousands of volunteers who care and work tirelessly to make Cupertino's progress possible. Rotary, Chamber and its volunteers, our commission and committee members, block leaders, friends of library, Quota, senior center volunteers, Cupertino Historical Society folks, Cupertino Community Services volunteers, School volunteers, Cupertino Lions, Optimist Club and the hundreds of others who dedicate their time and effort toward making Cupertino a better place to live.

As you know, we have an incredible city staff of just 163 employees. They are highly capable and efficient, and they are the engine behind the scenes.

It is my great honor to introduce to you, City Manager David Knapp and our Executive Assistant Linda Lagergren, our Police chief Terry Calderone, Administration Services Director Carol Atwood, Parks and Recreation Director Mark Linder, Public Works Director Ralph Qualls, our City Clerk, Kim Smith and our Public Communication Manager Rick Kitson and his whole team, Pete, Rei, Robert, and Nidhi. This exceptional team won the national award – NATOA 2008 that I mentioned earlier, and they continue to challenge themselves to deliver top quality programming for the City.

We also have several new employees at the City. I will start with our returned employee, Community Development Director now Aarti Shrivastava, who came back in 2009. In the same year, we hired another two new employees; one is City Attorney Carol Korade, as Chuck Killian retired at the end of 2008, and Erin Cooke, Environmental Affairs Coordinator, has also come on board. The newest member is the executive assistant to the Attorney, Theresa Zueger, who joined on January 4th this year. I would also like to take this opportunity to introduce the newly appointed Cupertino Community Librarian Rosanne Macek.

In addition to the city's top-notch employees, I would also like to thank each of my Council colleagues, Vice Mayor Gilbert Wong, Council members Orrin Mahoney, Mark Santoro, and Barry Chang. Together, we look forward to accomplishing many great things for the City we love.

Let me remind you that there are many ways to get a hold of city staff and city council; if e-Services are not handy for you, all you need to do is to pick up the phone and dial 777-CITY. Our receptionist, Tiffanie has received so many compliments when people call.

Now, I would like to conclude today's state of the city by saying what has hopefully been evident throughout the entirety of my speech:

Like many, the residents of Cupertino have endured hardships over the years, but we have remained resilient together in our core values. Education, safety, and community are top-notch. We are financially solvent and have plans to bolster commerce. Your local government, as always, is dedicated toward improving city-wide services and implementing new projects and programs for residents to interact and be proud of their community. With a wonderful staff and engaged community volunteers, the future of Cupertino will continue to be bright.

My fellow residents, the State of our City is **STRONG**.