

Mayor Rod Sinks State of the City Address – January 28, 2015

Thank you very much. I'd like to start by showing the never-before-seen final meeting of our outgoing city council, five people who worked together for 3 years with great dedication and valor on behalf of the residents and other stakeholders of Cupertino.

Thank you. Orrin and Mark are in the audience today, so we have proof that they did indeed survive the jump, and I appreciate all my fellow council members who cheerfully participated. Before we go on, I'd like to recognize Bobby Chastain of KMVT Community Television, who led the video shoot and editing of that opening. KMVT gives youth and adults hands-on experience in television production of programs of local interest. Stand up, Bobby.

Cupertino is the city most of us call home, and cities are the places where we live, where we work, where we raise our kids, where we learn, and where we make memories that grow into our collective histories. It's our virtual, emotional, and social networks which give personal meaning to our city, our home. And these human networks are supported by physical networks, including our trails, bikeways and roads; our energy grid; and our wired and wireless communications infrastructure.

Globally, cities are becoming increasingly popular places to live. In 1960, a third of the world's citizens called a city home; today, just over half of us do so and by 2050, two thirds of us will. This growth represents vast challenge but also tremendous opportunity. And given how long it takes for our great Ship of State in Sacramento and particularly in Washington to maneuver, cities are where we can best innovate to build stronger communities and a stronger planet. Our home, Cupertino, in the Valley of Hearts' Delight, which has evolved to become Silicon Valley, is just such a place.

This State of the City address will take you on a tour of these human and physical networks of increasing importance to our home, Cupertino, showcasing the ways our City is building a vibrant and connected community to harness social, economic and environmental benefits.

Let's take another look at the icon by which Cupertino is already known worldwide, and its rapid transformation since late August. Apple Campus 2 will be Cupertino's first Zero Net Energy Building; constructed 15 years before California's Zero Net Energy Policy for new commercial buildings takes effect. As one of the greenest buildings on the planet, it will boast a network of green infrastructure, including over 7000 new trees, solar and fuel cell power, hundreds of electric charging stations, extensive recycled water use, and a vast network of alternative commute services. The City is also beginning to see the fiscal bounty that is largely a result of the tremendous growth of Apple.

Across the City, due to the environmental leadership of our schools, residents, and businesses, a total of 576 solar permits have been issued as of mid 2014, putting Cupertino 18th in installed solar capacity per capita among California cities with a population of at least 50,000. That's higher than the cities of Davis and Palo Alto, both well known for environmental leadership. Cupertino's first municipal solar project is under construction and will come online this spring at our Service Center on Mary Ave, generating 104 kW, offsetting most of the power used at the Center and to illuminate the Don Burnett Bridge.

The energy efficiency achieved across Cupertino's commercial campuses will now be institutionalized in the way we design and construct properties and operate our homes and facilities thanks to the City's recently adopted Climate Action Plan. The CAP builds on the City's ongoing environmental efforts and identifies opportunities for improvement, serving to support California's statewide climate change efforts through actions of residents, businesses, and the City itself. The CAP provides incentives through streamlined environmental review process, allowed under CEQA, the California Environmental Quality Act. Aligned with the community's vision as defined in its General Plan, the CAP will serve as a blueprint for Cupertino's long-term quality of life and vitality.

The cornerstone of our climate strategy is adoption of a Community Choice Energy program, which has the potential to reduce our total carbon footprint by nearly 30%. This will allow our residents to choose greener electricity sources to power their homes and businesses, just like Apple does. Governor Brown and President Obama both made greenhouse gas reduction a priority in their recent addresses, and considering actions we can take locally, Community Choice Energy is the game changer. The County of Marin pioneered Community Choice Energy in California, offering 50% green electricity at cost parity with PG&E's 23% green electricity. For a small additional cost, customers can elect 100% green electricity. Customers receive a **single bill** from PG&E, which breaks out electricity service into two components: transmission service provided by PG&E, and electricity generation provided by a local agency that aggregates individual customers to purchase electricity directly from suppliers in the open market. **A supplier** may include a local homeowner or business owner that generates more solar power than he or she needs, making it economical for the owner to build excess capacity for the first time. Cupertino is currently studying the feasibility of launching Community Choice Energy with the cities of Sunnyvale and Mountain View, and we expect more cities will follow our lead.

Let's now fly on from Apple Campus 2 to our next stop. What you're looking at is a 3D rendering of the City's Geographic Information Systems, or GIS, database, **which holds** such information as the footprint and height of all buildings in town, as well as every road, sidewalk, street lamp, street tree and much more. We'll turn south on Wolfe Road, and make a stop at Vallco. If you've lived here for decades like I have, you'll recall when Vallco was a real destination – a place to meet and browse through multiple stores and attractions.

The days when Vallco was a true destination have long passed; today, we'll typically go for single purpose, say, to the movie theatre. Half the storefronts are vacant, and its retail sales per square foot are less than 15% of those at Valley Fair, even before the pending anchor store closures. Across the City as a whole, of the total retail demand from residents, daytime workers and visitors, on net, we lose about a third to other cities. Across the country, there hasn't been big mall built in almost a decade, and many are dying and being repurposed. Fortunately, with the recent acquisition of Vallco's four major parcels totaling 50 acres by Sand Hill Property Company, we have a unique opportunity to reinvent this underperforming retail hub in our community. In a Godbe survey last year, support for the concept of a mixed use development including retail, housing, and office uses was high, at 78%. But no real project of this magnitude will make it through the gauntlet without reflecting the wishes of the public. **Our residents** look forward to a robust, thoughtful discussion with the developer on a specific plan, which I certainly hope concludes with broad community support for a great new destination in the City to shop, live, work and play.

<clip4 cont'd> Speaking of great mixed-use destinations, the same developer, Sand Hill Property, is working hard to finish Main Street, just blocks away, on a long vacant 18-acre site, and construction is proceeding quickly. Main Street features 130,000 sqft of retail and restaurants, a community square, built as a fun place to meet and to enjoy entertainment both day and night, 120 loft-style and live/work apartments, a hotel with 180 rooms and 6000 sqft of banquet and conference facilities, and 274,000 sqft of Class A office space in two adjacent buildings, and above retail, the latter intended as incubator space for startups.

Now let's see what the project may look like when completed.

We'll sweep down along Vallco Parkway...

Then along North Tantau Avenue...

Then along Stevens Creek Blvd...

And come inside to talk about just a few of the businesses moving in soon.

We're arriving at the town square.

This restaurant is Panino Guisto from Milan, offering made-to-order panini, and on the other end of the square is Philz Coffee, already creating a buzz in Cupertino.

Behind it is Meet Fresh, serving Taiwanese desserts.

Here are the loft-style and live/work apartments.

On the left is the Marriot Residence Inn.

Straight ahead is Lyfe Restaurant, offering healthy fare...

Next on our right is Rootstock Wine Bar; Eureka, an American diner, also serves craft beer, and Lazy Dog, also serving American fare, is inspired by a Jackson Hole ski lodge.

We've just passed TD Ameritrade on our right.

We're now at the office buildings at the east end of Main Street.

Why more office? As a city, we want to increase our economic diversity, and office space for startups and emerging companies is an essential ingredient.

So where do you think this startup company developing cloud-based software-defined networks, named Pertino, is located? It was founded in Cupertino from which it takes its name. The CEO and founder, Craig Elliot, was also CEO of Packeteer, which for many years had offices on North DeAnza Boulevard, which he considers to be the ideal, central location in Silicon Valley to attract bright employees. But Pertino ran out of space here, and is now growing rapidly in Los Gatos.

How about this successful startup, ChargePoint, founded by former mayor Richard Lowenthal? Also started in Cupertino but now located in Campbell for lack of office space here.

Same with this company, Barracuda Networks, once on Bubb Road, now transplanted to Winchester Boulevard in Campbell. Hopefully, our newly amended General Plan will provide space for such emerging companies to grow, providing jobs and diversifying our tax base.

Let's take one last view of Main Street by night, as we anticipate a great new evening venue for entertainment and dining.

We'll head west from Main Street along Stevens Creek Boulevard. Each green dot marks a participant in the City's Greenbiz program, a green flag shows a home that has completed a Green Energy Audit, a solar collector icon marks where a solar permit has been issued, and a blue icon indicates an EV charging station.

The wired and wireless networks that connect us are less visible, but have become essential infrastructure. World class cities like Seoul and Stockholm have built out fiber networks, giving fast access to cloud services, video conferencing, distance learning, remote health care, and more. Last August, AT&T announced that it will bring fiber to our homes and businesses, choosing Cupertino as the first city west of the Rockies to deploy its Giga-power service. The build out has started with 15 distribution cabinets installed so far.

As we fly on to our next stop at the Civic Center, let's talk about the network that connects and engages citizens in our City with its government, and how it is evolving. We have long used the Web to publish meeting agendas & minutes, and we were one of the first cities to make live & on-demand video available. That makes a big difference: our online audience is typically an order of magnitude larger than that in Community Hall.

But beyond this, our government, like others, has often looked like a black box, functional in providing service to the public, but otherwise exposing interesting data to the public selectively, typically only when its leaders have decided to bring questions to public debate. As Apple disrupted the cell phone market with the iPhone by introducing a platform for others to develop innovative applications, leading thinkers have called on governments to offer open platforms for innovation. Such platforms provide data on demand, empowering citizens, including our newest generation of "digital natives," to crunch data in new ways and reshape our public policy, and to offer new products and services, for example, based on the Federal government's GPS system. And If you go to data.gov, you'll find treasure troves of Federal agency data, available to the public to be mined for many purposes.

Here in Cupertino, in the past two years, we have worked to make the City budget more transparent, for example, by producing **a chart like this** that helps visualize where our money comes from and where it goes, with a breakdown of revenue by sources and expenditures by type, and how it flows through funds and departments. With this chart, we can readily spot, for example, large flows going to capital projects, and carryovers to the following year. We have also invested in new software to make our financial processes more efficient and our data more readily available. And today, for the first time, I'm pleased to announce we are making our budget available to the public in interactive form online.

Here is the default home page that you'll see when you land at our new portal. This is a stacked graph showing actual expenses by department over the last 6 years, plus the budget for this year. The first thing I'll note is the timing of many of the big expenditures committed in last year's budget were hard to predict and landed in this fiscal year, which explains the large difference between the adopted and amended budget figures. Let's review expenses in various departments; clicking on notes on the top right brings up detailed explanations which I will summarize verbally. Blue is non-departmental expense, which is almost entirely money we are putting into our capital improvement programs fund. Green is Public Works expense and we'll drill down on that shortly. Let's move down to yellow, Community Development, which has increased significantly this year, largely due to Apple Campus 2 inspection services. Red is Administrative Services, and it has increased because the council elected to pay down the bulk of our unfunded long-term liability for retiree health obligations. Orange represents a contingency fund, which can be applied if and where best needed.

We can also look at the same data as a pie chart; the slider at the bottom of the page allows us to see how the pie has changed over time. We can then drill down to see more detail, in, say, the Public Works department, and continue drilling down to get more detail as desired. Now, let's click on one of the filters in the upper left to show total expenditures on pavement maintenance of our roads, a composite of two funds. You will note that our spending has dramatically increased in the last couple years. In the aftermath of the 2008 downturn, our budget was significantly impacted, and we skimped on pavement maintenance, which is certainly a way to balance the budget in lean times, but if maintenance is deferred too long, roads get very expensive to fix. Consequently, the Council voted in recent years to increase spending to get our average pavement management index, which is how we quantify this, back up to a sustainable level.

Want to check it out for yourself? It's live right now at cupertino.org/opengov.

What else is new? Nextdoor is a social network for neighborhoods, which in the last year has more than doubled its registered users in Cupertino from 1700 to 3700. All users within a neighborhood can make, view and respond to posts; outsiders have no access. Governments like the City of Cupertino and VTA who have recently joined can post announcements to neighborhoods throughout their jurisdictions and see any replies, but only to the items they post. So this is an ideal forum for neighbors to help one another, and another means for local governments to push out information.

Let's look at one more example of a platform implemented by local governments across the County in 2014. Together with smart phones & location data, it enables one of the most innovative, compelling applications I've ever seen.

I'd like to introduce the heros who have given the **rest of us** a chance to become heroes. Richard Price conceived of PulsePoint while Fire Chief in San Ramon in 2009. He was having lunch in a deli when a fire engine arrived to respond to a cardiac arrest victim in an adjacent store. Had he known what was happening, he could have gotten to the victim minutes earlier, making a big difference. He wasn't carrying a radio that day, but was, like most of us, carrying a smart phone, and he had a moment of inspiration followed by years of perspiration. Today, as President of the non-profit PulsePoint Foundation, his team has brought PulsePoint to over 1100 communities across 22 states, and 10,000 citizen responders have been activated to help 3500 victims. Locally, our County Fire Chief, Ken Kehmna, represented today by Deputy Chief Tony Bowden, **got it**, and was able to bring the xx fire agencies throughout Santa Clara County on board in a matter of months. El Camino Hospital, represented today by VP Marketing Chris Ernst and Government Relations Manager Brenda Taussig, also **got it**, and championed and provided generous funding for its rollout. I have proclamations for each of you.

Now let's look at how to use PulsePoint on this iPhone 6++ <hold up iPad, hope for laugh>

We'll start by searching for PulsePoint in the app store, and downloading both the red and yellow apps. Opening the red app, we'll hit the menu button, and then add an agency. Typing 95014 brings up Cupertino, and our agency, the Santa Clara County Fire Department. We'll follow this agency, and if we are regularly in cities covered by other fire departments, we can follow them, too. We'll go back and click to receive notifications of CPR incidents, and we could add others. Now that we're configured, we get a list of events; yellow ones are active, gray ones occurred within the last day. We can also look at a map view. <long pause> The app has instructions on how to administer CPR and how to use a defibrillator, or AED, but please take time to get trained; you'll find links to classes at the County Fire website under the community outreach tab. Let's move on to the yellow PulsePoint AED app, which lets anyone submit locations of AEDs. After review by the County, the AEDs are published and shown on the map in the red app we saw a moment ago.

On the slim chance you carry an Android phone; I'm told it works on that as well.

We want your help to put AEDs on the map, and I'm pleased to announce that the City of Cupertino, in partnership with PulsePoint, El Camino Hospital, and Santa Clara County Fire Department, will be launching a contest in mid-April. We'll have prizes for the three individuals who find and are first to submit the most AEDs in the City of Cupertino during the contest period. Once we get closer to April, you'll find details at County Fire's website, sccfd.org. In the meantime, take an opportunity to get CPR trained, and be on the lookout for AEDs. When you leave today, we'll have a table set up in the hallway where you can get help getting started with PulsePoint and answer any questions.

How else are we connected? Our Mobile 95014 app launched in December provides easy access to information on city services, programs, venues and other public agencies, all from the palm of your hand.

I'm sure everyone in this room is a life-long learner, so it's time for a pop quiz! What is the answer to Life, the Universe and Everything, including the number of items per capita borrowed from the Cupertino Library each year?

That's correct, 42, more than almost any library in the nation! We are also the busiest in the County system, with 850,000 annual visits. New initiatives of the library this year include:

- Supporting Learners in STEAM (that's STEM, plus the Arts), and Common Core Curriculum
- Codefirst coding programs
- Promoting opportunities for women in tech careers
- Providing ESL Classes

The City is working on a Civic Center Master Plan, driven by these issues:

First, our City Hall building would fail in a major earthquake, making it unsafe to occupy. But the City needs to continue to function after a major earthquake, maintaining communications to coordinate relief, to repair city infrastructure, and to issue building permits.

Second, parking is often difficult at the civic center.

Third, our existing meeting space is oversubscribed between the needs of the City, library and community groups.

We looked at various options in the last year, including a seismic retrofit of City Hall that would provide only modest improvement at substantial cost. Another alternative would replace the 50-year old building with one that survives a bigger quake, one that is 70% more energy efficient, one that lets us incorporate new meeting & flex space, and adds some 118 parking spaces underground. The latter alternative, shown here, was the preference of the Council, along with a new community and program room at the library to seat 130 people.

This is a long-term project, and in 2015, we expect to review environmental and master plan documents, consider financing alternatives, and consider entering into a design development contract.

What happens when our government opens its doors to the help its residents can offer the city and facilitates people directly helping each other?

As we've seen, we enable analysis and thoughtful input on how we spend our money.

We empower residents to save lives.

We get sharing between neighbors on Nextdoor.

We get our city commissions, block leader program, our CERT and CARES programs.

And we get the many stunning aerial videos you're watching today, which were shot not by City Staff, but were instead crowd sourced, contributed for this address at no cost to the City.

As we fly over Library Field and then head west along McClellan Road, let's talk about the difference one person can make. In 2012, we had a council hearing on our city-owned and maintained street trees, and the discussion was focused on imposing penalties for trees that were damaged by private parties. A resident named Weimin Ma* completely changed the conversation when he spoke at the meeting, describing the many locations where we were missing street trees, and he suggested we get busy planting. Since then, we've done just that, adding 300-500 new street trees each year; when completed, our street tree canopy will have grown by 14%.

We're passing over some of the schools that make Cupertino a highly desirable place to live if you want a great education. We know that it's the schools that bring new residents to Cupertino. When we strengthen our schools, we strengthen our community, and the City partners with CUSD on fields and crossing guards, and partners with our high school district to provide Sheriffs Deputies at our high schools for safety and traffic flow. As we consider our General Plan Amendment this year, I believe we should look at ways of providing additional support to schools under a community benefits program, making schools whole as we create new demand by building new housing in Cupertino.

We're just arrived at McClellan Ranch Preserve.

Making us more connected by trails improves our quality of life, and we've invested substantial resource over the last decade to make this segment of the Stevens Creek Trail one of the most beautiful places in the Bay Area. Wouldn't it be great if the Trail ran all the way from the foothills to the Bay, extended southward to Stevens Creek County Park, and northward through Sunnyvale and Los Altos to Mountain View? It will take resolve and patience to get this done, but we should make it a priority.

The building in the center is our new Environmental Education Center, with an interior space of 2100 sqft that can be configured as one or two classrooms, plus 1100 sqft of covered patio area. When completed in April, we'll have a much better space to host environmental and nature programs for CUSD students, and similar programming for the general public, offered by a number of community groups.

This year, we are also continuing work on a Master Plan for the entire Stevens Creek Corridor, driven by these issues: First, the BBF golf course has a substantial operating loss that is currently being offset by our General Fund, with an inefficient and ineffective irrigation system. The golf course needs to be scrapped or modernized, potentially adding complementary uses such as foot or frisbee golf that appeal to our youth. Second, we need to decide what to do with our dated clubhouse building, most of which is leased to the Blue Pheasant, Third, we want to consider what to do with a number of historic buildings and homes we have acquired in the corridor over time. Fourth, our access to the swimming and picnic center, considering pedestrian, bicycle and vehicle traffic, is a bottleneck.

The Master Plan to address these issues is a long term effort; this year, we expect to conduct environmental review on a range of alternatives the council will review next week.

We're now heading east on Stevens Creek Blvd. Three months ago, we lost one of our high school students, Ethan Wong, his life tragically cut short. Our loss reminded us that we are not as safe on our streets, especially when biking, as we ought to be. Last summer, we challenged our Bicycle and Pedestrian Commission to prioritize significant improvements in our bicycle and pedestrian networks, and this year we intend to spend a significant amount of money to move these improvements forward.

On some streets around town, you'll notice we have gotten started, including better demarcation of bike lanes where street width allows, defined by either green paint or markings, and on narrower roads, with bicycle icons on the pavement and signs reminding drivers to share the road.

And our social networks bring us together at our festivals, where we play, perform and learn from each other. Let's enjoy scenes from last year's Silicon Valley Fall Festival and Diwali Festival.

Before we move on, I want to mention that as you leave today, you'll be offered a gift from the City, <hold up bag> a reusable shopping bag featuring artwork from winners of the Cleaner Cupertino student art contest. Thanks to the many participants and congratulations to the winners!

<clip13> Now, as we continue along Mary Avenue, let's consider our public transit network. Twenty years ago, there was a vision to enmesh the south bay, including west valley cities, and not simply to connect us exclusively via spokes running through downtown San Jose. But it was never realized. Can we get express buses that bring Cupertino residents to the large employment corridors along 101 and 237, up 85 or De Anza or Wolfe, from new transit centers at, say, De Anza College and at Vallco? Also, can we figure out smarter ways to get students and seniors around town? We should! **This is the year** for residents and community leaders to stand up and ask VTA, and those formulating the 2016 countywide transit measure, to *renew that vision*.

We started our tour at one City icon. Let's conclude with another. As dusk falls at the end of a busy day in Cupertino, let's reflect on the beauty of the Don Burnett Bridge and the open space in the mountains to our west that makes our City such a special place.

Now, as night falls, it's almost time for another big Council meeting, this time with the new members.

Thank you! And thanks to.....our City Manager and City Staff for moving forward the many initiatives I've discussed today, and to the City Channel for this production. I also want to acknowledge the support of my wife and daughter in the audience today, my son at college in Vermont, and my mother watching from the great state of Minnesota. Thank you all very much!