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OFFICE OF THE  
MAYOR

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MAYOR

CITY OF SACRAMENTO  
CALIFORNIA

**Mayor Heather Fargo**  
State of the City Address  
Friday, March 28, 2008

Good Afternoon!

Thanks for joining me at the annual State of the City luncheon.

It's always great to do this speech in the spring when the city looks so beautiful.

The optimism and opportunity in Sacramento is so clear.

As I look out across this room, I see your beaming faces reflecting that optimism.

Throughout the history of our City, Sacramento has been filled with a deep sense of optimism because of the tremendous opportunities here.

Sacramento has always opened itself up to newcomers and new ideas. This culture started with the Gold Rush.

Anyone can come here, grow here and have the amazing opportunity of leaving their ideas, their hard work and their mark on our city.

Look at the members of the City Council – with different backgrounds and interests but working well together.

The optimism and energy throughout this room is as strong today as it ever has been – regardless of the current economic challenges we all are facing.

**CHALLENGES:**

The economy and mortgage meltdown has taken a big bite out of us. While the crisis is being felt hard in markets and financial centers throughout the world, we are feeling it here too.

The result is budget deficits at the state, county, city, and school districts – virtually every level of government facing a difficult budget.

And many Sacramento families are facing their own financial crisis. We are trying to help by offering mortgage counseling.

We have other challenges too - the re-designation of our level of flood protection by the Federal government in the Natomas Basin – something they will probably be doing throughout the Central Valley.

This is a big blow to us. We've spent \$100 million on levees in Natomas and they're stronger than ever.

I disagree with their redesignation, but it is their call. Our job now is to make the additional improvements ASAP to regain the 100-year level of flood protection.

To that end, the City commissioned a study to review the timeline developed by SAFCA. The study by Montgomery-Watson verified the aggressive schedule set forth.

Now, we need to make sure that our projects receive first priority in whatever in-box they land in. We have what it takes – the funding, the staff and the political will to get this done.

Another challenge facing us is the growing disengagement of our youth who feel there is no future for them. That hurts all of us – in many ways including the growing number of high school dropouts and resulting increase of youth violence and crime.

The loss of disengaged youth has a direct on our future workforce. This week I attended a meeting with the Governor, Darrell Steinberg and other California Mayors to discuss the dropout situation and we'll be meeting again to consider options. Speaking of Senator Steinberg, we should all be proud of his new position as Senate President Pro-Tem Elect.

The other big challenge (obviously) is the economy and its effect on the City budget. Our response – ask staff, ask community, make the tough decisions

While we can't ignore these challenges, we need to look at the positive things that are happening in our city.

There are major projects underway and new investments happening throughout our City.

- Office
- Housing
- Retail
- Restaurants
- Healthcare facilities

In the last 4 years, we've added 5.5 million square feet of new hotels, offices, shops, restaurants and condos Downtown. Absolutely unprecedented growth.

Yes, there is reinvestment being made, even on K Street where there are projects including

- \$10 million make-over of the Hyatt Hotel at 12<sup>th</sup> and K Streets
- On the corner of 10<sup>th</sup> and K Street – long called ground zero of our redevelopment efforts – 2 of the 4 corner projects have something being built and the 3<sup>rd</sup> has a new owner working on a new project
- And, as I pointed out during my K Street walking tour this past January – there is significant investment in progress on every single block of K Street from the Convention Center to and including Westfield Downtown Plaza

And there are projects big and small; housing, commercial, restaurant and retail being built throughout our City - on Meadowview Road, in East Sacramento, in South Natomas, on R Street, on Del Paso Boulevard – virtually everywhere

We are making progress today and we are positioning the City to be ahead of and ready for the next wave of economic growth. The approval of the Railyards is our biggest example, but certainly not alone.

Most of our hospitals are expanding facilities and increasing services throughout the City.

- Kaiser Permanente
- Methodist Hospitals in South Sacramento
- Sutter General and Mercy Hospitals in Midtown and East Sacramento
- Heritage Oaks Hospital on Auburn Boulevard

Yes, this sounds impressive and so is the value of these investments - all the hospital expansions alone in the City total approximately \$1 billion in construction valuation.

On the public side, the City has also been making both investments and reinvestments in projects throughout our City

- The Crocker Art Museum
- Community centers, 3 new libraries and parks
- The Intermodal Transportation Center

These investments are adding to the quality of life our residents enjoy in every neighborhood of our City and keeping people employed while the economy is soft.

Sacramento continues to grow up and mature. We have become more sophisticated and urbane – in the best sense of the words. The growing sophistication of Sacramento has helped fuel and been fueled by the arts and cultural activities.

The growth and infusion of arts and culture throughout Sacramento has become a critical piece of our infrastructure. Arts and culture have helped anchor and grow the creative

class – those people working in a diversity of jobs that want to live in a city surrounded by accessible arts of all kinds.

The City has invested in this critical infrastructure through our Arts in Public Places program, the Crocker expansion, and the financing of the Music Circus and STC theater complex. Private galleries, theaters and music venues keep growing throughout the City and helping put more people out walking on our streets, eating in restaurants and happy they live in Sacramento.

Sacramento's growing and thriving restaurant scene has been a huge catalyst in reactivating streets, adding to the energy. The restaurant scene has many benefits beyond expanding the pallets and waistlines of Sacramentans.

Additionally, restaurants have been an important catalyst and continue to bring people out of the burbs and back into the core of the City, over and over again – at least for dates if not to live!

When you couple restaurants and entertainment together – you help fuel more overnight visitors on weekends and weeknights, which has been a powerful tool in growing our hotel and tourism industry.

The great work our Convention and Visitors Bureau team has done, coupled with our great hotel partners and all of the options for eating, entertainment and cultural options is making Sacramento a true destination for tourists.

Some Recent Magazines featuring Sacramento include:

- Frommer's
- Inc.
- Forbes
- Sherman Travel
- U.S. news and World report
- Time Magazine

More and more national and international media outlets are featuring Sacramento as a great destination for fun, arts and food. Many of you know I have recently pointed this out – while I am not a cover girl, our City is and in many publications!

The growing excitement and activity is bringing new investment and housing to places that have struggled to bring new residents.

We added 1,000 housing units in the central city last year – and as the economy settles down and gas prices stay high – life in the city will be even more attractive and fun. Just today, news of the new Residential (?) Towers at Capital Towers topped the *Bee*.

Life in the city is greener – people can and do walk to work, to shop and to eat.

Bike riding throughout Sacramento is at a new high. Businesses like the Rubicon Brewpub in Midtown and the Fox and Goose are just a few examples of restaurants where new bike racks have been added to accommodate their paying customers.

In addition to bikes, there are even Segway tours of Downtown! Ridership is up on RT trains and busses and there seems to be unlimited growth of the Capitol Corridor train service.

Earlier this year at the State of the Downtown Address, I introduced the idea of sustainability being smart, achievable and involving individual action – including walking more and changing incandescent light bulbs for compact florescent light bulbs.

Today, I challenge the business community to get going green and help us led the nation as a sustainable City with a business culture committed to going green and reaping those rewards.

We have the ingredients and the recipe to ensure the development of a successful Green Economy. It's the smart thing to do and the right thing to do.

Consider the Energy Star Program for business initiated last week by SMUD and the Asian Chamber. Things you can do that add up:

- Turn off lights when you leave the room
- Turn off computers, printers and monitors when you go home
- Add solar panels, build with solar as part of your project
- Build a greener building, with materials and energy savings
- Clean up your fleet (yes and your personal fleet at home)
- Ask SMUD for help – there are many benefits and ways to save energy and money...ask the experts!

Programs and partners like this are good for the bottom line of participants and for the earth. SMUD's website identifies many ways to go green. We need you to do it!

My constituents - your customers and future consumers are demanding green products, are demanding action and support sustainable practices.

I have led the city in joining the green revolution – now it's your turn and many of you are stepping up and reaping the benefits.

The City, working with the Power Inn Alliance and the Metro Chamber has created a green technology zone (special enterprise district) in the Power Inn area to fuel growth and expansion of green-sector businesses.

We are the 13<sup>th</sup> greenest big city in the US, #3 in CA! And the top 5 for LEED certified square footage.

We are working with education partners including right here at Sac State and also with UC Davis and the Los Rios Community College District. Our educational partners are critical to our success in these efforts.

The commitment and leadership at the State level has also been a huge driver in the opportunities we have to succeed in environmental sustainability.

Led by the Odd Couple – Governor Schwarzenegger and Attorney General Jerry Brown, the State have been important driver helping us to position the City, along with the California as a center of excellence in environmental sustainability practices.

We have a progressive, committed utility district – SMUD that is a nationally recognized leader in environmental sustainability. Among the many programs SMUD has to advance the green technology agenda, benefiting the economy as well as their ratepayers.

Working with the City Council, I led the creation of the City's Environmental Sustainability Plan, which we began implementing this year. We will have measurable goals and objectives to meet – short and long term to do our part.

We are working together to implement a green building code and finding ways to be sustainable in all of the cities operations.

The City and all of these partners are linking together to maximize the opportunities of the rapidly developing green economy. These collaborations make going green a serious economic driver for the City and for the region as we grow R&D, future industries and jobs for all our citizens.

Our higher education partners are growing a talented workforce ready to achieve this goal.

Our lunch here at Sac State is a great opportunity to shatter an old myth.

Believe it or not – Sacramento is a regional center for higher education.

Not just our amazing public institutions –the added growth and diversity of our private institutions are growing a diverse, educated and trained workforce at all levels of work to fill the needs of business and government.

SACTO recognizes this as one of our region's greatest strengths. And we have new educational institutions to highlight:

- The Art Institute of Sacramento opened a new campus in South Natomas serving art related fields as well as having a huge Chef training program necessary for those great restaurants we have.
- The Kitchen Academy/International Academy of Design & Technology is also adding to Sacramento's growing Sacramento's highly desirable "creative class."
- UCD Medical School and future Nursing School.

- Drexel University from Pennsylvania. They are making a large investment in our region both in Placer County but also an important part of their campus in our City.

We need to embrace and brag about Sacramento's educational partners and what they bring and do for our region. We are the regional educational hub of the central Valley!

Sacramento is a City with a growing number of students working and committed to growing their careers and – having the opportunity to stay in our City to live and to work.

Our education partners help fuel a workforce of PhD's, mechanics with training certificates; and everything in between. We need this diversity of training and education in our workforce and our institutions of higher education are the fuel that runs our economic machine.

We are growing and keeping our talented workforce right here in Sacramento. The growth of our economy and training our future community and business leaders is a great benefit for our City and this region.

On that note, we are also losing some of our future workforce as they loose hope and drop out of high school. This loss has a critical impact on the success of our neighborhoods, our city and your businesses.

The number of high school dropouts in our City and region is alarming. Disengaged youth and the fallout of growing youth violence and gang activity hurts us now and in the future.

We need to share our opportunity and optimism with our youth.

It doesn't take much to offer hope.

Every one of us, public entities and private businesses all have a responsibility to help – Now. In the City we have created and invested in the Office of Youth Development.

The City – working with SETA and one of our important community organizations, ACT - have developed an easy way for you to make an immediate difference for youth this summer.

When you entered today, you were handed a post card with information regarding Sacramento Works for Youth - a successful youth training and summer employment program.

This training includes youth employment skills through boot camp training and then places pre-screened applicants with government and businesses providing summer jobs or internships.

For \$1600 we can employ a young person for the summer – with SETA's help Workers Compensation for the students are covered and participating employers are eligible for hiring tax credits and have access to pre-screened applicants ready for the workplace.

It provides the youth with a chance to look ahead and see there are jobs, there are careers and that school matters for their future. It provides a glimmer that they have a chance to live, learn and work in Sacramento and yes, there are jobs and opportunities right here.

Last year, some of the businesses that benefited included:

- The City of Sacramento
- Macy's
- Target
- Mervyn's
- JC Penny's
- FedEx
- Applebee's
- Safeway
- California State EDD
- The California State Fair (to name a few businesses).

We are looking for expanded opportunities for these trained and pre-qualified youth to work, see why school matters and to provide a window of hope for their future and for ours.

Remember your first job? I'm sure you were grateful for it and grateful to learn a lot and really grateful to move on.

My first job was a cook's assistant in the basement of the hospital. I was grateful for the opportunity and it certainly encouraged me to go to college!

And now I am Mayor –

So help us build a local workforce and who knows where it will lead!

If you can't employ a youth this summer, you can help fund a position so nonprofit organizations and smaller groups can afford to hire them. Everyone here can make a huge difference today for a very small investment and a great rate of return.

The national economy has been on a rough ride.

Yes, we're feeling it too.

Yet, we are moving ahead. The State of our City is bright, optimistic and thanks to you – we are investing and ready for the next wave of economic prosperity.

Have a great and fun weekend. Go eat in one of our great restaurants, see a live show at one of our theaters, and I'll see you on one of our packed streets enjoying a Second Saturday night next month!

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