**Mayor Kate Gallego’s 2020 State of the City Address**

**As prepared for delivery,**

**November 17, 2020**

Good morning to each of you – thanks for joining me at this first-of-its-kind virtual State of the City!

As much as I’d like to open my remarks with a pithy story or a sly joke, I suspect you’ll agree with me when I say: **What a year.**

Think back to November 17, 2019. Almost no one knew what was coming. Not the coronavirus or the impending recession. Not the strange political argument over masks. Not the painful reality of

racial injustice made plain again, nationally and locally; and certainly not the loss of life caused by a merciless virus.

But today is not a day to spend much time revisiting the awfulness of 2020. It would be easy to dwell on, but instead, and with great humility, I say, “thank you.”

Although it seems like an eternity ago that I was elected to fill Mayor Greg Stanton’s term, it has only been less than two years. After running for office in 2017, 2018, 2019 and 2020, I am so ready to let that part of my life rest for a little while (not forever!) while I focus on leading this, the fifth largest city in the country.

I’m grateful to each of you for supporting me with your vote.

I also want to express my deep thanks to my family, friends, staff and volunteers for all you’ve done to make this dream – our dream for Phoenix – come true.

For the time we’re together this morning, I will guide you through my vision of what this city is, where it is going, and what it can be.

Before I do that, though, I want you to pause a moment and bring to mind an image of our downtown skyline. At a time when many cities are stalled, in Phoenix, we see the cranes that stand as symbols of prosperity and forward-thinking change.

**The truth is: in the midst of a pandemic, we got a lot of work done.**

With the Taiwan Semiconductor Manufacturing Company – which you’ve undoubtedly heard about –we have just landed the biggest job-creating, economy-driving deals in the city’s history.

At $16-billion in economic impact, it has been described as the equivalent of bringing a Superbowl to the Valley every four weeks.

Those cranes you had in mind represent 6.5 million square feet and $1.4 billion in capital expenditures in the city core. Of the top ten construction markets in the United States, Phoenix is the only region where construction expenditures increased during the pandemic.

We have retained our leadership in biosciences. Over the past 24-months, we have seen more than $3 billion in current and proposed projects in medical research and health services, and the promise of 7,000 high-tech, well-paying jobs. With my own background in science and business, I find this tremendously exciting, and yes, you will hear more about this in a few minutes.

The South Central and Downtown Hub sections of the light rail are moving. Tomorrow, the city council will vote on our strongest-ever program to support small businesses during construction.

On the sustainability front, Phoenix joined C40 Cities, a global network of cities committed to delivering – at the local level – the most ambitious goals of the Paris climate agreements.

And just a few short weeks ago, our hospitality businesses got some way overdue, positive and much-needed news: Phoenix has landed the Women’s Final Four games for 2026!

I can go on – and I will – but everything I’ve said so far points to this fact: for Phoenix, 2020 was a

turning point. **Because we didn’t stop and didn’t give up when times were hard, Phoenix is now poised to charge full-force out of the pandemic and lead the nation’s recovery.**

No, not all of our problems are solved. There is plenty of work to do. Frankly, the world we knew before the pandemic is gone.

Yet, by making hard decisions and investing wisely, we have diversified our local economy, stayed clear-headed about how to best fight COVID-19, and grown even stronger.

Which brings me to what I see ahead for Phoenix over the next four years: a city that is **STRONGER, SMARTER, GREENER**, and **BETTER**. We’ve laid the bedrock for the work to come. Let me share with you what I see, and how we can achieve it together.

**STRONGER**

To me, a stronger Phoenix is a place that’s even more global and more connected. It is a place that is equitable and aware. It is a place with a robust, innovative biomedical, technical and advanced manufacturing environment that is the envy of the world.

The centerpiece to this vision is, of course, the Phoenix Biomedical Campus anchored by our three state universities. Already having created nearly 10-thousand jobs, its estimated annual economic

impact is $1.3 billion. That’s only going to get better with Wexford’s more than 200,000 square foot

lab expansion of the Biomedical campus, underway now.

Our efforts didn’t begin there and they certainly won’t end there.

From GE Healthcare to Celgene, we have some of the world’s top cancer-fighting companies right here in Phoenix.

Just a few weeks ago, I had the privilege of visiting Caris Life Sciences to help announce their Phoenix expansion that will ultimately occupy 155-thousand square feet and add 300 new tech jobs to the one-thousand that are already here. Their specialty is precision medicine – they can help you find a personalized treatment that can be more effective with fewer side effects. For any family, like mine,

who is supporting someone they love through cancer diagnosis and treatment, you know that these kinds of advanced, detailed approaches give hope in a way nothing else can.

**I am convinced that the road to curing cancer runs through Phoenix.**

And although I do talk often about downtown development, my interests – and the city’s – don’t begin and end there. We’re working to bring development, and jobs, to every corner of Phoenix.

Take, for example, Arizona State University’s new Health Futures Center. Thanks to the hard work of District 2 Councilman Jim Waring, this 150,000 square foot learning environment broke ground last year. Move-in starts this month with a grand opening in January. It will be a crucible for intensified research and collaborative development of new, innovative approaches to health care.

The former Kmart property along I-17 and Northern has been, for years, a giant, empty eyesore. Leave it to Vice Mayor Betty Guardado and area neighbors to drive an effort to come up with a creative solution. Once the final pieces are in place, we expect this old department store will become the new 27th Avenue Innovation Center. The center will offer a combination of educational opportunities including job and entrepreneurial training, a business startup space, and a food innovation center.

Not far away, Phase II of the Northwest Light Rail Extension will be another boost to the city.

Councilwoman Debra Stark, who is leading multiple neighborhood revitalization efforts such as Sunnyslope and the Paradise Valley Mall area, knows what it takes to solve complex problems. Councilwoman, when I think back on all the work we've done on things such as neighborhoods, pedestrian safety, and planning and zoning, I'm especially grateful to have had your expertise.

Planning ahead is important all across the city.

North Phoenix has now become one of the densest employment centers outside the downtown core, with a labor force of more than 45,000 people and over 400 financial service and fin-tech companies.

We like to call it Wall Street West, and it’s on pace to be larger than Wall Street East.

Looking to the southwest, we now have the Ed Pastor South Mountain Loop 202 innovation corridor. The city’s economic development team has spent a lot of time there, focused on companies that could bring as many as 50,000 to 80,000 high-tech, knowledge-economy jobs to the area.

Look up at the sky and it’s a... well, that’s definitely a plane you see. The problem is, we haven’t seen enough of them coming in and out of Sky Harbor since the pandemic began. The good news is: our

Aviation team understands that slowing down in the midst of a slow-down isn’t an answer. Instead, they’re moving forward on the Sky Harbor Master Plan. They’re good at it; just last year, according to the Wall Street Journal, of the 20 largest airports Sky Harbor was voted the best!

The Master Plan takes a long view toward the future. It calls for moving cargo and support operations to the north side of the airport to make room for expanded terminals and a taxiway bridge to the new cargo area. On the airport’s south side, the footprint of the Air National Guard 161st Refueling Wing will grow to accommodate the new, larger tankers that will serve military aircraft throughout the region.

On top of all of that, the final stage of the Sky Train – that will take passengers from a new West Ground Transportation Center to the Rental Car Center – is on-track to open in summer of 2022.

It’s the last stretch of the five-mile Sky Train.

Now, take one last glance toward the Salt River. In that direction lies the site of an economic development plan that is near and dear to me: Rio Reimagined. Spanning the Valley from west to east, this 58-mile project will return the Salt River/Rio Salado to its roots and restore its future. It is also poised to re-ignite that neighborhood’s economic engine.

Just a few weeks ago, the council approved plans in that area for Arizona Fresh and the Agri-Food Innovation Center. On the site of this former landfill, members of our community will find fresh food in the Wholesale Produce Market, a community park, and walking paths. As it continues to develop,

you’ll see test fields for innovative approaches to production and delivery of fresh produce, a start-up incubator, and office park. The development will create an estimated 15-hundred permanent jobs through Phase Four, with an economic output of $848-million.

This project will give us a glimpse of what Rio Reimagined can be: a stunningly beautiful, financially powerful resource for the entire urban area.

Even with all this good news, we cannot tell the story of a stronger Phoenix without speaking about the pandemic.

**We are in the throes of another surge. What we do next will be decisive.**

The science has shown us that masks work. Until we have a vaccine, masks are the single best defense against the virus. While Phoenix has had a mask requirement in place since June, there is still no statewide mandate. We can stick to this piecemeal approach or we can do it right.

**Today, I call on Governor Doug Ducey to issue a statewide mask order to help prevent new infections, and to keep that order in place until we have wide distribution of a vaccine, more effective treatments, or both.**

We don’t know when a vaccine will be ready; however, we do know that even in the best of circumstances, it will take months to deliver this vital shot in the arm to everyone in Arizona. I pledge our city’s full cooperation with the effort to distribute the vaccine. We will make sure it gets to every resident in every corner of Phoenix.

It’s important to pause here and thank the first responders, healthcare professionals, and frontline workers who continue to battle exhaustion while risking their own health to provide the care so many of us need. Thank you, too, to Valleywise, Banner, Dignity, Mayo, Honor and Phoenix Children’s – the list is long and includes every hospital, doctor’s office, urgent care and pharmacy that stepped up this year.

I am especially indebted to Arizona State University, under the leadership of Dr. Michael Crow, for the breakthrough testing they’ve engineered and for the expert advice they provide to my office as we navigate the pandemic.

It is also appropriate to thank Congress for the relief this city has received through the CARES Act.

I’m proud of the creative and innovative ways this city has used those dollars to invest in our small businesses. We have awarded more than $12 million in resiliency grants to over 2,000 local businesses, including restaurants, airport concessions, and micro businesses. Our Chambers of Commerce including the Phoenix Chamber, the Hispanic, and the Black Chamber, have been valuable community partners who helped us get the word out about these opportunities.

In addition to supporting small business, we also used CARES funds to keep individuals and families in their homes, to provide coronavirus testing to support public safety and education, and much more.

**Yet, the need has not passed.**

**I have added my voice to the chorus of mayors and other leaders across the country who are calling for another round of pandemic-relief funding.**

There are two more groups that deserve our deepest appreciation. First is City Manager Ed Zuercher and his team, who kept the budget on-track and did so **without laying off a single employee.** Second, but not in second place, are city employees themselves. As work slowed in some areas, these people – who are the backbone of this city – took on new assignments and did them beautifully. This is a big city, and their willingness to adapt kept it running.

Ordinarily, I’d pause and ask you to applaud them! But since we can’t do that in this virtual environment, please allow me this moment to say directly to them: thank you for a job well-done.

Still, I say again: the pandemic is not over. We must continue to innovate with patience and creativity as we navigate the months to come.

My pledge to you is this: no matter what, I will continue to insist that we follow the data and do what science tells us works best – masking, testing and contact tracing. **I will not settle, back off or**

**back down when the lives of Phoenix residents are at stake.**

**SMARTER**

As we move toward a Phoenix that is stronger, we must also be SMARTER in everything we do. A Smarter Phoenix, in my view, is one whose workforce is diverse and ready to take on this powerful economic engine we’ve created.

“Opportunity” is part of the Phoenix brand. For centuries, people have come here to start anew, and to create a life full of promise for themselves, their families, and for generations yet to come. To deliver on that promise, we must leverage our assets.

I’m very pleased to announce today that we will do exactly that through a new initiative called Phoenix Global Rising. This partnership with ASU’s Thunderbird School of Global Management and the

City of Phoenix will link private, public and nonprofit sectors to advance the city’s global presence. We will focus on initiatives that include international trade and investment.

Although it is too often said that cities don’t have a role in education in this state, I beg to differ. As I mentioned earlier, when CARES Act dollars were provided by the federal government, we seized the moment and made education a priority. Thanks to the foresight of Councilmember Carlos Garcia, we'll soon deliver computer tablets and laptops to school districts citywide to bridge the ‘digital divide.’ We asked our school district partners how many devices our students need, and between the City of Phoenix and our partners, we will meet that goal. When all is said and done, Phoenix will have distributed eight-thousand devices.

One mom told us that she – like lots of parents – finds online class stressful. And while her opinion about that hasn’t changed, she called her child’s free Wi-Fi tablet “such a blessing.”

Councilwoman Laura Pastor, who is an educator, is working with a group that includes school districts, our first-rate community college system, and GPEC to make sure we close the

digital divide for our students and the workforce of the future.

As both a mom and a mayor, I know how important online access is to our young people. I am all for digital literacy, but I do have to say that I am sorry my toddler learned how to mute my Zoom meetings.

In a time when a pandemic is driving our lives, the arts and the city’s open spaces become even more important. The arts offer us new perspectives and a break from every-day reality. In one of the largest emergency support programs in the country, the city provided grants to 68 nonprofit arts and culture organizations and to more than 400 individual artists. In addition, thanks to Councilman Michael Nowakowski, we are finally on our way toward establishing a Latino Cultural Center. Councilman, thank you for all you have done for Phoenix.

As this speech has unfolded, perhaps you’ve noticed that science and data are important to me. Policy decisions driven by data are key to running a city that is smarter and even more efficient. It’s why I’m proud to tell you that this year, Phoenix earned the Bloomberg Philanthropies’ What Works Cities Certification. It is the national standard of excellence for well-managed, data-driven local government.

Let me mention one more thing before I leave the subject of a Smarter Phoenix. With the massive amount of economic development underway, we must stay mindful of the need to affordably house new arrivals and to help those who are on the brink of falling out of home ownership. I will say this as clearly as I possibly can: **homelessness is a regional issue.**

Before COVID, the City of Phoenix spent nearly $20 million annually – across several departments – for services related to homelessness solutions. This year we marshalled several fund sources to add

an additional $30 million to that total. Even above and beyond that, in October, Council unanimously voted to commit $10.5 million to relocate the U.S. Vets facility and keep it open.

Yet, Phoenix still needs to do more, as do our state, county and city partners throughout the region. Gone are the days when we can rely solely on one downtown shelter to accommodate the needs of thousands of individuals and families.

At my request, city staff spent countless hours over this past year delving into the challenges brought by homelessness. They have identified gaps and best practices, and distilled that knowledge into a plan to combat homelessness that was unanimously approved by the city council in October. By creating a viable system of caring for those who most need our help, we will step even closer to

fulfilling our promise as a city.

**GREENER**

We can see we have a solid foundation for building a Phoenix that is STRONGER and SMARTER.

To make that work truly payoff, we also must have a Phoenix that is even more livable, sustainable, and easier than ever to get around. It is the GREENER piece of this plan we’re creating together.

The early days of the covid stay-at-home-order were hard. Many people commented to me that they filled up their car in March and didn’t buy another tank until June. Yet, there was an amazing side effect to our collective confinement: our air quality was better. The haze cleared. For those essential workers who still had to commute by car, the long backups were gone and city streets were a pleasure to drive. Even now, as we gradually reopen, we’re learning the value of telework, at least in part due to its positive effects on our environment.

It was never going to last forever, but for a brief moment we had a vision of what Phoenix could be like if our transit and transportation goals are achieved.

We don’t have to give up on that just because some businesses are re-opening and cars are on the road.

Quite a lot has been written about the covid-motivated flight of city-dwellers to the suburbs and for some people, that’s the right answer. Not me. Remember I said “opportunity” is part of the Phoenix brand? Over the next 30 years, we have the opportunity to transform transit and transportation.

Twenty years ago, Phoenix voters approved Transit 2000 and its dedicated funding source for local

bus service and high capacity transit. Five years ago, voters decided to extend and expand the Transit 2000 plan, which we now know as Transportation 2050 or “T-2050.” In my first months as Mayor,

we defeated Proposition 105 which would, quite candidly, have been a disaster. Along with campaign

co-chairs, Councilwomen Laura Pastor and Debra Stark, we made this a priority and it showed, with a decisive victory for our light rail system.

**The collective effect of these actions is monumental.** Over the life of T2050, local revenues are estimated to generate about $16 billion. With the support from the federal, state and county governments, and our loyal ridership base, the total investment in the 30-year program will be nearly doubled.

Here’s the thing: when we asked Phoenix residents what they wanted most for our street system they singled out – you guessed it – fixing potholes. Throughout her career, Councilwoman Thelda Williams has pushed for street repairs and pavement. Already this year, during covid, we’ve paved more miles than ever before. Councilwoman Williams, we thank you for the legacy of a smooth ride.

Now, please consider this next part a friendly alert: over the next year, you will hear me speak often and vigorously about the extension of Proposition 400. This is mission-critical. The revenue collections under the current Prop 400 expire at the end of 2025.

For those who appreciate a refresher, Proposition 400 was approved by Maricopa County voters in 2004. It extended the half-cent sales tax to fund public transportation, state highways and arterial streets. Here’s the problem: if that money goes away – if the tax is not extended – we will do a massive disservice to the people of Phoenix.

**I intend to do everything in my power to make sure this crucial effort is successful.**

Maricopa County is a smart region. It is the fastest-growing county

in the country. That’s no accident – we planned ahead with innovation in mind. We need to build upon that trend and continue our progress. And since we can’t know yet what technology of the future will look like ... I will advocate for the extension to include the flexibility we need to adapt.

There is no separating transportation from climate.

This last year was one of the hottest on record – I know I can’t recall a time when Phoenix reached 98-degrees in November. It’s a clear indicator that our work to mitigate climate change is essential to preserving Phoenix’s livability and economic competitiveness.

Climate is complex. We need to reduce consumption of fossil fuels and increase electric-vehicle infrastructure; we must mitigate heat, and address the 100-year water supply; and we will chart a path to net-zero emissions by 2050.

Heat is a multi-faceted issue, as well. We need to reduce the urban heat-island effect while increasing the tools available for coping with extreme heat. You may have noticed the wide patches of light-colored pavement that have popped up around town. They are part of the city’s cool pavement pilot program – 36.2 miles of specially treated pavement that we believe will deliver ten-to-fifteen degrees of temperature reduction.

Although there’s still a lot of work to do, Phoenix excels in the type of innovation that will help us fight climate change. We have more solar panels on city facilities than any other city in the U.S. We lead in alternative fuels – 73% of the city’s fleet has been converted. We have the largest biogas project.

Because of those efforts, the climate change news is already good. The most recent inventory showed a slight reduction in emissions in spite of our city’s skyrocketing growth.

When cities around the country were ending their recycling programs, Phoenicians said, “no – that’s not going to happen here.” The result: the Public Works department upgraded our sorting

equipment, bringing tremendous improvement to the capture rate of recyclables.

**The world is looking for answers to these climate imperatives. We think those answers will come from Phoenix.**

**BETTER**

Everything I’ve spoken about so far – STRONGER, SMARTER, GREENER – leads to making Phoenix a better place to live. But being BETTER goes beyond it all to something that is larger than all of us. I’m thinking of a Phoenix that is equitable, welcoming and inclusive for everyone.

It is an area where we’ve already seen much success.

In 2019, Phoenix earned a perfect score for the seventh consecutive year in the Municipal Equality Index.

I felt genuinely privileged to participate in honoring Indigenous People’s Day with members of dozens of Native American communities in the Phoenix area. Theirs is a rich history that shaped – and continues to shape – the contours of this city.

Tomorrow, thanks to Councilman Sal DiCiccio and others, we will permanently change the profoundly offensive names of two of our streets. It was overdue.

Yet, equity, equality and diversity are areas that demand much more of us. As we pause to celebrate our accomplishments, we must always look at what we can do better.

As we consider inclusion, we do well to think about our seniors. While, at first blush, dementia may not strike you as an issue of equity, it certainly is. In April of last year, I announced Phoenix would join the Dementia Friendly network. Just one year later, we are the largest city involved in this nationwide effort.

This one is personal for me. I recently lost my grandmother, who suffered from dementia. In her final months, I didn’t feel well prepared to support her as the disease progressed. It’s complicated for anyone interacting with a person experiencing dementia. That’s why I am also proud that in true 2020 fashion, we have launched virtual Memory Cafes, places where caregivers and people who are experiencing dementia can come together to provide support and share best practices.

The Phoenix Fire Department has been a national leader in training our first responders

on dementia care. When our city employees know more about dementia and its symptoms they can respond more effectively in difficult situations.

Investing in better training is a priority at the city of Phoenix.

This year we began training police officers as Emergency Medical Technicians so that they can render aid in the community. We have also dramatically changed the curriculum at the Police Academy to move away from military style training and toward scenario-based training.

This year, Phoenix City Council has approved hiring new officers and increasing the department's budget by $25 million. At the same time, we have invested in body cameras and supported a civilian oversight office.

We have deployed the pilot Crisis Response Network Diversion Project which has already re-routed more than 3,000 calls to mental health experts. As part of the city’s next budget, I will propose we expand that program to implement an all-civilian response model that deploys mental health professionals to certain calls for service.

We are trying to follow the national best practices in policy. Eight Can’t Wait is a

well-researched platform that suggests eight concrete changes to police policy that can significantly reduce dangerous interactions between police and the public, for example: a ban on chokeholds; a verbal warning before firing a weapon; and a duty to intervene if fellow officers exceed their authority. Phoenix has achieved six of the Eight Can’t Wait benchmarks, and **I am excited to announce for the first time that we will achieve all eight by the end of this year.**

These steps are a start.

There will always be more to do; yet I remain profoundly encouraged by what we have accomplished during my time as Mayor.

This Stronger, Smarter, Greener, Better Phoenix is within our grasp.

It won’t happen tomorrow or even in a year, but I am supremely excited about the fact that we have already laid the groundwork and infrastructure for success in every one of the areas I’ve discussed with you today. And while consistent work may not feel as exciting as big announcements, it is the thing that brings big ideas into focus, gives them energy, and makes them happen.

I love this city ... I have since the day I arrived here sixteen years ago. In the context of the cosmos,

as Neil De Grasse Tyson might say, 16-years passes in the blink of eye (or probably less!)

But look at the opportunity this city has afforded me. Yes, I had a privileged start; but Phoenix has changed my life, just as it has changed hundreds of thousands of lives since its modern incorporation in 1881, not to mention the thousands of years since First Peoples, later the Hohokam and O’odham tribes, made this their home.

Think back to 150-years ago when founders established the Phoenix town site. Imagine how startled

a pioneer woman, standing at the dusty corner of Washington and Centre street (now Central

Avenue), would be if we showed her what that intersection looks like now.

Phoenix has been transformed. I believe that kind of transformative change is possible for everyone who calls this city home.

As we head into 2021, we are at an inflection point. This has been a good year in spite of everything covid threw at us. The virus did not defeat us; it made us stronger. As Phoenix emerges, we will be better than ever.

Thank you for choosing me to lead the city through the next four years. Thank you for inviting me here today, and for the gift of your time and attention.

We have a lot to do, so let’s get to work!

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