



Mayor Kate Gallego's 2022 State of the City Address

April 8, 2022

As prepared for delivery.

EMBARGOED to 12:30pm or when the Mayor begins speaking.

Good afternoon! Todd, thank you for that wonderful introduction, and thank you to the Phoenix Chamber for gathering us all here today. Thank you to my fellow elected officials, tribal leaders, and to you – the business leaders in our community – who have joined us.

It is SO good to see you in person again!

Beginning only two years ago, this city – and this country – faced one of the most difficult foes we've ever encountered. The COVID-19 pandemic disrupted nearly every aspect of our lives. Combined with a recession, national and world politics, and a host of additional challenges, the last two years have become one of the most significant pivot points in the history of Phoenix.

Through it all, we have reaffirmed our resilience. As a city, we looked hard at what we were doing. We rethought fiscal management. We dug deep and found ways to help those who needed it most.

We did more than survive. We found ways to thrive. Here are some examples:

During the pandemic, with the arrival of TSMC (the Taiwan Semiconductor Manufacturing Company), we closed the largest economic development deal in the city's history.

Although we are not a health authority in Arizona, Phoenix delivered a total of nearly 300-thousand tests and vaccinations citywide.¹

Phoenix is now among the top five of the nation's emerging life sciences markets, and number one for job growth in the life sciences in emerging markets.²

We won a million-dollar prize for innovation.³

¹ This figure is a total of vaccines & tests delivered via fixed and mobile locations.

² [CBRE Life Sciences Trends 2021](#)

³ <https://bloombergcities.jhu.edu/mayors-challenge>

We gave away thousands of laptops so children across the city could continue to learn.

We expanded the Community Assistance Program to better care for those who suffer mental and behavioral health issues, and simultaneously ease the burden on our police officers.⁴

We kept people in their homes by preventing eviction and helping with rent and utility payments.⁵

And since I've been in office, Phoenix has issued more than 22-thousand permits for new single-family homes and multi-family units.

It was a lot. It was hard. And it worked.

So, as I stand before you today to report on the state of the city, my message to you is this: **Phoenix is rising... again!**

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You may wonder why we're rising, and succeeding, in such difficult times. One of the reasons is a person who is with us today: our new City Manager, Jeff Barton. Building on the work of his predecessor, Jeff's smart, strategic, and forward-thinking approach to the management of city resources is an important reason why we have achieved so much. It is also the reason that Phoenix is entering the current budget year in a strong position. Jeff, thank you for your leadership!

Another key factor in our rise is Phoenix's relentless commitment to creating high quality jobs. As someone who worked in economic development before running for office, this is a personal mission.

As you may have noticed, I never get tired of talking about Taiwan Semiconductor Manufacturing Company. With its 12-billion-dollar investment, TSMC remains one of the most important assets we've attracted to Phoenix. Councilwoman Ann O'Brien, you have been an amazing partner to me as we continue our work to ensure the success of this economic sector so critical to Phoenix's future.

TSMC continues to do precisely what we expected it to do: bring even more supporting businesses to the area. In January, **Sunlit Chemical** – one of TSMC's suppliers – broke ground on its 100-million-dollar factory. **Foxlink**, a producer of green energy products, announced in February that it will open its first U.S. factory here. TSMC continues to draw a steady stream of these types of businesses, and I'm delighted to have representatives from these Taiwan-based companies with us today.

Not only that, we're working with our higher education partners and providing funding to the Maricopa Community Colleges to create the talent pipeline that will fill semiconductor jobs, offering an excellent superb quality of life for those who take them. Thank you, Chancellor Steven

⁴ <https://www.phoenix.gov/newsroom/mayors-office/1812>

⁵ <https://stories.opengov.com/phoenixaz/published/AEfzS7dUP>

Gonzales, and Board President Marie Sullivan, for your partnership.

The idea is so exciting, it drew First Lady Dr. Jill Biden to Phoenix. I told her then what I'd like to share with you now: I intend Phoenix to be the strongest semiconductor hub in the United States, with the best semiconductor training programs in the world.

During covid, desperate need became the mother of innovation. We all remember too well the initial shortage of testing in the early days of the pandemic. People waited for hours just to find out if they were sick or not. We are not the branch of government responsible for public health; but we saw the need and responded.

We brought fixed test sites to parts of the city. Then we came up with a whole new idea. Why not create mobile testing units that could move daily, and meet people near where they live?

Not only did it work, it worked brilliantly. Later, when vaccines became available, our testing vans also became mobile vaccination units. Through our investments, we delivered the 300-thousand tests and vaccinations I mentioned earlier. **It's the kind of innovative, creative solution that defines the City of Phoenix.**

Before I leave the subject of covid, it is my privilege to recognize a group of people in this audience who deserve our deepest gratitude. They are the healthcare leaders, hospitals, providers, pharmacies, and insurers who pushed themselves to the physical and emotional limit to take care of those who were sick and helped so many to recover even when the odds weren't good. Please join me in offering our sincerest thanks to all the healthcare heroes who are with us here today.

The lessons we learned from mobile testing and vaccination inspired us to take more city services into the community.

You tell me, every day, how hard it is to find the right people to hire. As we thought about what to do to help, our conversations kept bringing us back to the vans. What if it was possible to use the vans for recruiting? What about providing a way to do safe, socially distanced job interviews for those who may not have stable broadband or even a computer?

Our Mobile Career Unit turned out to be – quite literally – a million-dollar idea! Phoenix competed with 631 cities in 99 countries to win the Bloomberg Philanthropies' Global Mayors Challenge.

I tried out the Mobile Career Unit and was quite impressed with how it works. A hiring manager from Renaissance Hotels used the remote link in the van to interview me. I did not get an offer, but it was a great chance to see first-hand what an asset this will be in improving futures city-wide.

With us today is a high school student who was hired through the mobile career unit. Robert, thank you for trusting in us!

As Phoenix continues to rise, our success will depend on filling the job pipeline with well-educated, well-trained candidates. Earlier, I mentioned our cooperative effort with the Community Colleges to prepare people for jobs in the semiconductor industry.

That's one of the many education partnerships we established.

To keep students citywide connected and ready for distance learning, our Youth and Education Office also partnered with School Connect to provide nearly 10,000 internet-enabled laptops and tablets to students most in-need.⁶

And, with the Arizona Department of Education, we were able to offer laptops and Wi-Fi hotspots for checkout at Phoenix libraries.⁷ It was critical for our students. For example, my son Michael, who was three at the time, was learning the alphabet. Who knew – Heaven knows, I didn't – how hard it is to teach the alphabet? I had use Google to figure out the best way to teach it! I believe many other parents needed the same connectivity that I did.

That experience forever affirmed my respect for those who teach. To my fellow mom, Superintendent Kathy Hoffman, thank you for partnering with me to keep learning a top priority, even during a pandemic.

The city also confirmed its commitment to higher education with a significant financial investment in the ASU Thunderbird School of Global Management – a bipartisan vote of the city council. Tonight, we will celebrate with ASU and Thunderbird as they officially open the new Global Headquarters in downtown Phoenix! Many thanks are due to ASU President Michael Crow, and Thunderbird's leader, Dr. Sanjeev Khagram, for creating the most tech savvy and connected global management school in the world.

On the subject of international trade, we are building on Mexico's burgeoning market for silicon chips, vehicle parts, electric vehicles, and other high-tech products. I've spoken with ambassadors on both sides of the border about the opportunities to onshore supply chains to the Americas. To that end, I'm very pleased to report that we have rededicated our trade office in Hermosillo! Many thanks to Councilmember Carlos Garcia and Councilwoman Betty Guardado for traveling to Hermosillo and reinforcing our commitment to this important relationship.

Our partners in Mexico are very interested in the work we are doing on electric vehicles, with good reason. Our region is beginning to be referred to as the "Electric Valley," not only because of the cars and chargers, but also because we are becoming a hub for the manufacture of components for electric cars and charging equipment. We are doing so well that a reporter recently asked me if Phoenix was in danger of following Detroit's path and becoming too dependent on the motor vehicle industry. Talk about an economic development transition for a city that was once so closely linked with the housing sector! Councilwoman Yassamin Ansari has been instrumental in the effort to expand the use of electric vehicles in Phoenix, and I thank her for that important partnership.

As I've said, Phoenix is rising as a global player. As part of the world community, we are united in our outrage over the unwarranted attack on Ukraine. As Todd mentioned, the sunflowers you see here onstage remind us of our unity with the Ukrainian people. When I asked the city's pension system, known as COPERS, to consider relinquishing their Russian investments, they were on it.

⁶ <https://www.azcentral.com/story/news/local/phoenix/2021/01/22/10000-laptops-go-to-15-phoenix-school-districts/4234193001/>

⁷ <https://www.phoenixpubliclibrary.org/services/computers-internet/laptop-lending-program>

As of yesterday, COPERS made the commitment to divest itself from all financial interests in Russia.

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Before covid, the fastest area of growth in our economy was healthcare and biosciences. I was worried that while we were responding to the virus, that investment and innovation would slow in other areas of health. But the city kept investing in healthcare jobs, and so did our partners. We are number one in job growth in life sciences right now!

The success for companies and non-profits that fight cancer is particularly meaningful to me. I lost my mom to cancer a few months ago. My mom was diagnosed in 2016. She fought through incredible pain to be there for me and my son during times when we really needed her. In 2017, I had a baby, got divorced, moved, and filed to run for mayor. I very much don't recommend doing all that in one year. And the truth is that I couldn't have done it without a lot of support, especially from my mom. And she couldn't have done it without great medical care. I want that great care for everyone in our community.

For that reason, I was enthusiastic in my support of \$300 million in Health Care Facilities Revenue Bonds for the Mayo Clinic expansion, which was a unanimous vote of the Phoenix City Council. The city of Phoenix is honored to be home to the Discovery Oasis located on 228 acres next to the existing facility. Along with three million square feet of space for research, education, and patient care, Discovery Oasis will bring 2,000 good jobs including 200 physicians and scientists. The expansion will allow more Phoenicians to get access to topline care in areas such as cancer treatment, and I am also excited about the work the campus will do to support tribal communities.

I'm also tremendously grateful for the work Mayo is undertaking with Adelante and Mountain Park, federally qualified health centers. Their combined emphasis on screening and treatment for breast and other cancers in Latina members of our community is powerful and positive.

Just across the wash from the Mayo expansion, you'll find ASU's Health Futures Center, a joint venture between Arizona State University and Mayo with \$8.8 million in infrastructure support from the city of Phoenix. It is home to leading-edge biomedical engineering and informatics labs, along with an innovative education zone.

My deep thanks go to Councilman Jim Waring for the tremendous work he has done to bring this important biosciences corridor into being.

The investments in healthcare and fighting cancer are not just happening in North Phoenix. The Banner/MD Anderson partnership is delivering big results. President Robert Robbins and the University of Arizona have several incredible partnerships. At President Robbins' invitation, I have joined the advisory board of CAMI – the Center for Advanced Molecular and Immunological therapies. One area where CAMI will focus is on personalized cancer treatment – finding biological therapies we can tailor for use on specific cancers and other infectious diseases.

Together with the ASU Wexford Partnership, CAMI will serve as the anchor that differentiates Phoenix from other emerging life sciences hubs, establishing the Phoenix Biosciences Core as a

center of gene therapy research, engineering, startup activity and corporate engagement.

U of A's neighbor, TGen, has been an economic engine as well, and I am personally thankful for the consulting and data they provided to me during the pandemic. Support from Phoenix voters helped recruit TGen to our downtown, and our city is glad to be home to partners such as Exact Sciences and HonorHealth that are now bringing tools developed by TGen to patients.

As care improves in our city, we are working to make sure our city of Phoenix family benefits. We have been leading the way on early detection of cancer in firefighters and police officers, a partnership championed by Vice Mayor Laura Pastor.

I hope that if your co-workers or family ever needs cancer care, you will find that we have the very best right here in Phoenix. And while I am mayor, I pledge to keep working to make our city a leader in fighting this disease. I've said many times before, and I will say it again: I firmly believe the path to cure for cancer runs through Phoenix.

The business of science is advancing in Phoenix. Indeed, companies of all stripes are choosing our city as the place they want to be.

For example, today I have the privilege of sharing with you that Sendoso is bringing its headquarters to Phoenix. This software company has raised more than \$152 million. Sendoso was recruited in partnership with GPEC. With its move to Phoenix, Sendoso will bring 700 good jobs.

As we celebrate new businesses, we want to help more businesses and non-profits get through challenges. Over the past year, Phoenix has directed more than \$8 million to supporting micro and small businesses as well as \$2.7 million for our arts and culture organizations.⁸

Throughout Phoenix, you'll find examples of small businesses that received grants from the city. There is Roosevelt Row's Grassrootz Books and Juice Bar, that features shelves upon shelves of books by Black authors; woman-owned JP Auto Repair on the west side of town; another woman-owned business, Stapleton Roofing in north Phoenix; and Carlos Castillo's Chino-Mex restaurant on South Central.

Small business is big business in Phoenix!

Incidentally, if you know of a small business that could still use some help, grant applications are being accepted through April 15th. More information is available on the city's website.

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Part of Phoenix's promise to businesses, and to the families who live here and relocate here, is safety. The demands on our public safety agencies are intense.

The Phoenix Fire Department dispatches for a total of 30 jurisdictions. In 2021, that amounted to

⁸ <https://stories.opengov.com/phoenixaz/published/AEfzS7dUP>

more than one million calls for service, with nearly half-a-million dispatches. The Phoenix Police Department runs on more than 2,500 calls each and every day.⁹

We depend on them. We ask them to keep us safe, and to be willing to lay down their lives for us.

On February 11th, nine Phoenix Police officers were shot or injured by shrapnel while in the line of duty. Because of their bravery and willingness to sacrifice, a baby is alive today. The incident was among the most chilling and horrifying ones I can recall.

But this is the reality our officers face every day.

Indeed, many officers reach far beyond the work they are assigned to do. Like the officer who – on a cold day in January – encountered an unsheltered man with no shoes or socks. The officer spent \$80 of his own money to buy that man shoes and warm clothing. Or like Officer Jackie Ravelo, who donated her own kidney to ensure a friend’s 10-year-old daughter would survive. Officer Ravelo is here today – please let her know how much you appreciate her!

I also want to pause a moment to thank Councilwoman Debra Stark. Deb attends every Block Watch meeting she can get to and knows every community action officer in her district. She sees the person behind the badge, not the uniform. She understands the critical work our police officers do in the communities they serve. Thank you, Deb Stark!

I also offer my thanks to Valleywise, Banner, St. Joseph’s, and HonorHealth for being part of our response system, caring for injured officers. You are valued as you help us respond the difficult and dangerous situations police officers encounter.

It is also true that we ask police officers to do tasks that are far outside of law enforcement. Prominent among those is dealing with individuals suffering mental or behavioral health issues.

As I mentioned at the start, last year, the city council and I approved one of the largest-ever commitments to modernizing public safety: \$15 million for the expanded Community Assistance Program. CAP places trained mental and behavioral health professionals in the field to respond to calls that would previously have been assigned to police officers.

The first CAP unit under the expanded program will roll in early summer. This new effort will ease the load on our officers, freeing them to do critical law enforcement work.

Is our department perfect? No. No police agency in the country is without its flaws. We know our community has high expectations that we have not always met.

I also understand that our challenges cannot be solved by funding alone. Body-worn cameras have afforded us transparency in police interaction in the community, and we will continue to find more – and more effective – ways to earn the trust of our citizens.

⁹ City of Phoenix

Yet, I firmly believe that each and every day the Phoenix Police department does important work to make our community better. I joined a bi-partisan majority of the city council to support a 9% raise for our officers, as well as a \$7500 dollar bonus for new hires and existing officers who stay on the job.

So, today, I say publicly and without reservation: **I have never, and will never, defund the Phoenix Police Department.**

And I suspect you agree with me: I've had it with violent attacks on our police officers. We must keep them safe.

We began this week with the terrible gun violence in Sacramento. Recently, a shooting at a Glendale shopping mall jeopardized the life of a young child. Enough. We must all come together to address gun violence in our communities.

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Phoenix continues to rise again by providing transportation and transit to move people efficiently and quickly through our vast geographic area. I described my vision to you during my first State of the City remarks in 2019. Since then, we've made extraordinary progress. And with good reason: our transit system helps essential workers power this city, gets kids to school, and makes it possible for older adults to live out their lives at home.

The federal government has partnered with us to fund the South Central rail line, the new downtown light rail hub, and the Northwest Extension that will connect Metro Center to downtown. I offer my deepest thanks to Senators Mark Kelly and Kyrsten Sinema, and Representatives Greg Stanton and Ruben Gallego, all of whom worked with us closely to get the job done.

Perhaps, like me, you remember our streets when covid was at its worst. They were deserted. If we ever see that situation again, I pray it is not for the same reason. Yet, because of the reduced traffic, we got more done.

As a result, we are nearing completion of the \$200 million five-year accelerated pavement plan. By the time the work is complete, we will have repaved more than 250 miles of major streets in Phoenix.¹⁰ This is an issue of great importance to Councilman Sal DiCiccio.

As we look toward the future of transportation for our city and the region, one of the most important things we can do is to extend the half-cent sales tax created by Proposition 400. Mayors across the Valley have reached unanimous bipartisan consensus on a plan to pay for continued transportation development.

I thank today's host, the Phoenix Chamber of Commerce, and partners in this room, who saw the value in the original Prop 400. I look forward to enjoying your continuing support as we call on the state legislature to pass the enabling legislation necessary to bring the Prop 400 Extension to the

¹⁰ https://www.phoenix.gov/streetssite/Pages/Accelerated-Pavement-Maintenance-Program.aspx?fbclid=IwAR3mtFijWGH6REwJyHEZltkwJIFrTBTX7UmyLV_sncokIDZg7eIxMQ-AKaY

ballot.

To keep Phoenix on the rise, we need to move the needle on housing. I want my son, Michael, to be able to buy a home someday, and I imagine you share that hope for the young people in your life.

Diamond Age 3D¹¹ is a company whose innovations may bring us all closer to that goal. This next-gen tech company uses an automated robot to extrude concrete and 3-D print new homes onsite. It's fast and I'm told you can't tell the difference between these houses and traditional construction. They are moving their company headquarters to Phoenix, joining a long tradition of innovative homebuilders here in Phoenix.

One of the first policies I proposed as mayor was the Housing Phoenix plan, with the stated goal to build and/or preserve 50,000 homes by 2030. It includes nine policy areas such as redeveloping city-owned land and developing better landlord incentives. We are almost halfway there, which is exceptional progress, and far ahead of where we expected to be.

Equally noteworthy is the work the city has done to keep vulnerable families in their homes during the pandemic and beyond. As of March 30th, we have provided \$78 million in rental and utility relief to thousands, as well as eviction prevention assistance.

As a member of the city council, before I ran for mayor, we started the work on Edison Eastlake, an area which contained the largest concentration of public housing in the state. Since then, Edison Eastlake is rising from its own ashes.¹² We are transforming old, worn out, moldy buildings into more than one thousand heat-resilient, affordable, livable housing units.

The city also continues to provide shelter and housing to people experiencing homelessness. We have a hotels-to-housing program with partners such as US VETS and Central Arizona Shelter Services. We have invested in navigators to connect people with services, and the city council just approved a program to hire people experiencing homelessness to help clean up our community. We are investing more resources than ever before.

We will continue to make these kinds of investments. HOWEVER: we must also acknowledge homelessness is not a Phoenix-only problem, it is a regional and statewide concern. I'm grateful to my fellow mayors who, for the first time ever, have come together to create a regional plan to address homelessness.

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I hope that by now, you're in agreement with me that Phoenix is Rising Again.

We are a center of business innovation and worldwide influence. We are compassionate, yet we are doing what's necessary to enforce the law and keep our people safe. We are creating opportunity, whether it's in education, housing, or building a leading-edge career.

¹¹ <https://www.diamondage3d.com/>

¹² <https://www.phoenix.gov/housing/cni-grant>

We took an incredibly difficult time and turned it into an incredible opportunity for innovation and growth.

Many years ago, the artist Paul Coze created an extraordinary mural in Terminal Two at Sky Harbor. Called, appropriately, “The Phoenix,” the massive artwork incorporates elements of soil and sand, modern materials and old ones – even a child’s toy.

I was in awe as it was unveiled in its new location last year. It took creativity and planning to dismantle it and move it. It took a remarkable conservation effort to preserve it and install it in its new home in the airport’s Rental Car Center.

In the ancient story, the immortal Phoenix destroys itself by fire, in order to rise again. Now, we are living a wonderful, modern, and innovative twist to the story: no longer must the Phoenix destroy itself. Instead, it rises forever higher, and we rise with it.

Thank you.