

2015 State of the City



Mayor Karen Holman

February 18, 2015

Slide Palo Alto: Steward and Entrepreneur

Remember these words; you will be hearing more about them.

Slide Palo Alto by the numbers

(Presentation of the following numbers by individual slide)

148,209

8,271

35,383

\$1,800,000

\$3,560

54.8%

45.2%

8,294

\$6.50

\$7.50

537,144

70,514

65.5

836

37

47

981,000,000

28,800,000

5,500,000

2

For you data junkies, that's for you.

I'm sort of reminded of an old George Carlin line, when he was portraying the sports caster, "And now here's a partial score: Detroit 7". So that's my homage to George Carlin.

Not to worry, you will be seeing these numbers again. That was just a little bit of a teaser.

We all see the world through our own lens. How I see the world is through the lens of someone who really cares about and is interested in history and also through the eye of a designer. I'm interested in all kinds of design, traditional and cutting edge. I'm someone who is very grateful to Steve Jobs for changing the look of computers.

One of my goals this year is to highlight the linkage between Steward and Entrepreneur, and those are the words you will be hearing.

We have so many things to be grateful for as Palo Altans. Few will dispute that this is a great place to live and work.

Slide **Stanford Theater**



The Stanford Theater that we have through the generosity of David Packard.

Slide Mitchell Park Library and Community Center



Mitchell Park Community Center where we are this evening. And if you haven't been to the library yet, you haven't seen the half of it. Palo Alto loves its libraries, approving Measure N to support the renovation or reconstruction of 3 of our 5 libraries, with all 5 library projects completed now, including the reconstruction of this facility that has already been proven very popular. Thank you to Allison Cormack for leading the Measure N campaign.

Slide Rinconada Library



The Rinconda Library, formerly Main Library, opened this past weekend on Valentine's Day. This is the perfect merging of Steward and Entrepreneur as the project incorporates new technologies in a restored 1958 Edward Durell Stone building. The whole campus with the Art Center is very well executed. It's a beautiful facility, and I hope you will visit it soon if you haven't already.

We enjoy great weather and a lively economy.

Our lives are not particularly threatened by crime.

We live in a place that is home to Nobel Prize winners, a world class university,

Slide Stanford Quad



and all manner of luminaries and innovators who live quietly among us

as well as ordinary people who may never do anything more remarkable than be just the right mom or dad to deserving kids. And what can be more important than that.

But there also is much to be done to meet your rightful expectations and to continue our heritage as both Stewards and Entrepreneurs.

We are, and have long been, entrepreneurs. Recognizing that we are both stewards and entrepreneurs, that these are close relatives rather than distant kin will, in my opinion, help define our community's future and maintain our quality of life.

So returning to the numbers.....

Slide 148,209

This is our daytime population including Stanford.

Slide 8,271

8,271 is the number of acres of parks, preserves and open space we are privileged to have – thanks to the generosity of the likes of Dr. Russell Lee and the foresight of so many others.



This is, of course, the Lucy Evans Interpretative Center in the Baylands.

Slide 35,383

I don't know how many would imagine this is the number of street and park trees. Note this does not even include trees in open space.

The Palo Alto Woman's Club, dating back to the early part of the 20th century, helped protect our canopy. They fought against a movement to remove trees that ended up in the unfortunate location of newly created streets, laid out to accommodate automobiles. They also carried water barrels on wagons around town to water young trees. And now we can thank Canopy for advising us and planting new trees. And, of course, in the interim, many dedicated leaders have acted as stewards of our canopy.

Slide \$1,800,000

Median home price is perhaps a result of our weather, schools, jobs....perhaps also due to our trees and open spaces. We can't know the direct reason but the median home price is as you see here.

Slide \$3,560

And the average monthly rental cost for a 2-bedroom unit is \$3,560 currently.

Slide 54.8%
45.2%

And perhaps a surprise to many is the percentage of owner-occupied homes, the top number. The bottom number represents the percent of renter-occupied homes.

So you can see with such high housing prices we have a challenge to maintain our diversity in Palo Alto and everyone is truly effected.

A lot of us think of Palo Alto in terms of this next slide because we are considered by many to be the center of the tech world, and many think of Palo Alto as the heart of Silicon Valley.



And for some, this is how they think of Palo Alto perhaps because these are more central to their everyday lives.



But actually, Palo Alto is really all of these for a number of practical reasons.



So how do we preserve both to the benefit of the community.

Slide \$6.50

When downtown monthly retail rents climb to these dollar amounts per square foot, you know it's hard to retain retail here in Palo Alto.

Slide \$7.50

And when the common range of office rates climb to \$7.50 and up to over \$8 per square foot in the greater downtown area and over \$6 per square foot on California Avenue, it also exacerbates the ability to retain a presence in Palo Alto.

With these high rents for both residential and business, how do we retain the diversity that has been a part of our community.

This is especially difficult in the residential arena.

I wish that we or I or someone had answers. But so far we are limited to discussions of smaller living units. And with that we cannot accommodate all the people who want to live here.

Add to this the legal challenges to our prior long-standing inclusionary zoning laws, and we are additionally challenged.

At the same time, we have to address our

Slide General office allowances

Slide 537,144

We've seen a remarkable increase in square feet of additional office and R&D since 2008.

As the number indicates, there is timely need to address the current market trends. Council has taken up the subject and will be continuing on March 2 with likely actions to curb parking and traffic impacts from at least new development or perhaps broader considerations.

The Council is currently considering setting annual office caps.

Several Council Members have also commented on the importance to

Slide Protect retail and local independent businesses

whether on California Avenue, Downtown, or elsewhere.

And the following figure is the amount of square feet of retail lost in Palo Alto since 2008.

Slide 70,514

Slide Country Sun and Piazza's

I do not think these two businesses are threatened. At least that is the hope.



But are businesses such as these vulnerable when we have lost 70,514 square feet of retail since 2008? These are the kind of businesses we want and need to protect for a number reasons including economic.

We have lost: Jungle Copy (twice), Zibibbo, Shady Lane is about to move away, University Art, Bargain Box, Cho's, and Avenue Florist, to name a few.

We have all seen retail space converted to office and local businesses leave Palo Alto for Los Altos, Redwood City and Menlo Park due to high rents or redevelopment. The economic impact can be considerable to both you and the City given the dwindling amount of square feet devoted to retail and services.

For reasons anticipated and never contemplated, we are losing retail.

Additionally, the Comprehensive Plan aspires to support walkability while we are also looking to reduced vehicle miles traveled and support delivery of diverse goods and services to our community.

My understanding is that Enid Pearson undertook assuring the future of Palo Alto's parks by way of a parks preservation ordinance, because of the loss of neighborhood parks that she had visited with her own kids. Are we at such a time and place now with regard to our retail, especially local retail? Have you gone to a business to find it is no longer there?

The Council will soon be looking at ways to protect retail through a variety of means potentially including interim ordinances protecting local retail especially on California Avenue. Expect this in the March/April timeframe.

As the coiner of the phrase "Zone for what you want", I look forward to the challenge.....but wish it was not upon us.

Slide Transportation

Focusing on transportation...

Slide 8,294

With 8,294 average weekday Caltrain passenger boardings within Palo Alto, Caltrain electrification and grade crossing solutions are critical. We are fortunate to have access to and utilization of Caltrain. Can you imagine the impact otherwise given the growth we are experiencing and the traffic issues we are working to address.

Slide

Caltrain



Slide 65.5

As we look at a variety of ways to address our parking and traffic issues, each aspect is just that: one piece of the potential solutions puzzle. This has to be a multi-pronged approach.

One piece is our expanded bicycle facilities that now extend to 65.5 miles. This, along with Caltrain, Traffic Demand Management programs and Transportation Management Association creation, VTA, expanded shuttles and bicycle facilities...it's going to take everything that we have and can conceive of and more to address the issues. This is the price of success.

Slide 836

Thanks to the efforts of people such as Penny Ellson and Kathy Durham along with support and promotion by our schools, the most recent count of students who bike to school at Gunn High School was 836 and at Palo Alto High School was 805. The schools, through programs such as Walk and Roll, have been remarkable in helping to curb traffic and parking concerns, to get people out of cars and choose healthier alternatives to driving.

Slide Student bicyclists



Slide 37

As a part of our Infrastructure investment and in response to comments from those in the community who talked about having better roads to ride on, whether by car or bicycle, the City has made significant investment. 37 is the number of lane miles of our streets the city resurfaced in 2014.

Slide 47

And 47 is the number of lane miles of streets planned for resurfacing in 2015.

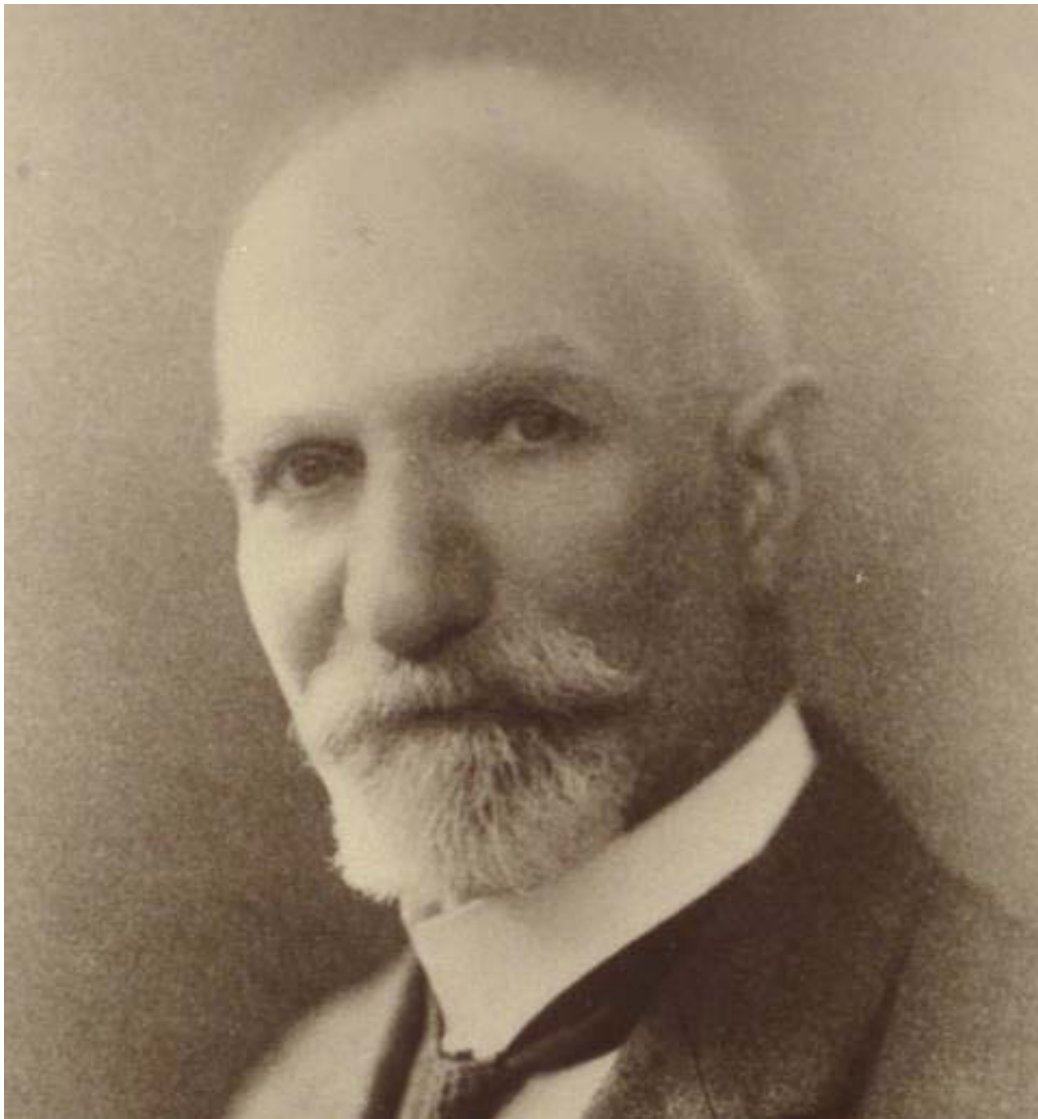
Slide 981,000,000

And because it seems we sometimes take our utilities for granted, I wanted to insert a number here. This is the number of kw hours of electricity the City delivers in a year.

Slide

Charles Marx

And this gentleman, Professor C.D. Marx, is one of the men responsible for establishing Palo Alto's utilities along with Professor Wing, also from Stanford. The entrepreneurial spirit of these early professors in the 1890's and the vision they had to put Palo Alto in charge of its own fate in terms of its utilities led to continued City stewardship which then allowed us last year to declare our electric utility to be 100% carbon free.



In talking with my friend Bardy Wallace, I asked what was it about the early settlers such as her grandfather C.D. Marx what caused them to invest as they did in Palo Alto's future. Her response was as true today as it was then:

Democracy needed Citizens.

To continue on with utilities, this next number is the number of therms of gas the City delivers in a year.

Slide 28,800,000

And this is the number of cubic feet of water the City delivers in a year.

Slide 5,500,000

But one of my favorite numbers, one of my favorite statistics in Palo Alto, is this:

Slide 2

Why?

Slide donkeys



Because it is the number of resident donkeys we have here. If you don't know, that is Perry on the left, who was the model for the donkey in the movie Shrek, and Niner on the right. This is February, and these guys are sweethearts. They'll eat out of your hand or try to eat your jacket, but either way they are gentle creatures, and we are most fortunate to have them in our community.

This is also a matter of Community Stewardship. They rely on donations for their room and board and on neighbors who take them on walks. If you'd like to make a donation to their care, you can visit Acterra's website and make a tax-deductible donation.

Slide

Stewardship: the careful and responsible management of something entrusted to one's care.

Entrepreneurialism: starting new businesses, or getting involved with new ventures or ideas often assuming risk.

Slide

Good fortune, hard work, ingenuity, risk.

We are the beneficiaries of good fortune, hard work, ingenuity and risk taking.

Slide **Stanford Palm Drive**



If not for the presence of Stanford University, we would not be here.

Slide

Cardinal Hotel



If not for the daring of those willing to invest in the early years where would we be.

Slide

Greg Brown mural



And then there are the arts; Greg Brown's murals such as this one on the side of the Palo Alto Post Office.

We have been bestowed so much in this community, much that has been entrusted to our care and to our stewardship.

So there are some additional Council initiatives coming this year:

Slide

Strengthening neighborhoods

Slide **Green Meadow**



This is Green Meadow, a National Register neighborhood, it so happens.

To further support strong neighborhood participation in civic affairs, several actions are being proposed to better integrate the understanding, consideration and actions of our City government with neighborhoods' interests and concerns.

The City has made great strides in making information available including the very informative Development Services Construction Updates and the Open Data Portal, for instance, which have enhanced City outreach and communication with citizens and neighborhoods.

This new initiative seeks to build on those accomplishments with additional focus on communication with neighborhoods including holding annual town hall-style meetings with City Council representatives and appropriate City staff and focused on different regions of Palo Alto and each neighborhood being encouraged to identify a designated "Communications Officer" as information liaison with the City.

This initiative is anticipated at Council in early March.

Slide

More inclusive, more concise staff reports: more informed decision making

We have a very dedicated, hard-working, experienced staff. And there are times when Council seems to want some information not currently in staff reports which we think will lead to more informed and more expeditious decision making.

A strong community value is civic engagement. Toward that end and thanks to staff, the City has implemented earlier release of Council Packets, now released a full 11 days before Council meetings. This is much appreciated and a great help.

To even further support the decision making process through balanced and complete staff reports, we are looking forward to working with staff on ways to improve the process such as the inclusion of options, more easily consumed tables and charts, and reducing the need for as much prose.

Slide

Architectural Review reform

Well known has been and is my concern about a more responsive built environment.

And a favorite quote is this:

Slide

“Architecture is static music.” Goethe

Our buildings are the most pronounced, the most long lasting outward expression of who we are. Therefore, the City should evaluate the review process with a goal of providing architecture that enriches our daily experience.

People do not experience buildings in terms of numbers: Floor Area Ratio or Density. How they relate to buildings and the cityscape is more of an emotional reaction. And then there are also, of course, the reactions to impacts such as traffic and parking.

There have been some noteworthy articles, in the New York Times for instance, about how current architectural trends are not being embraced by the public. This is not purely a Palo Alto phenomenon. Nevertheless, we do need to reconnect the aesthetic of our built community, our architecture, with the public.

And this next slide is a newly discovered quote that seems applicable to local concerns.

Slide

“It is perfectly reasonable to talk about the meaning of literature without talking about Danielle Steele, but can you grapple with the impact of architecture without looking at Main Street.” Paul Goldberger

And we cannot talk about our community without also talking about and to our youth.

Slide Student bicyclists



Here, I would say find something that inspires you to action, and then act. Identify some issue that you believe needs to be addressed, and then speak to it.

Find your place. And you do have a place. We all do. We can make this a better world. Whether it is standing up to someone bullying another or leading marches, it all matters. Sometimes in ways that we will never know because we never know who or how many are watching us, looking for signs of encouragement and inspiration in their own lives.

Act as if. Act as if the world is watching. Because it is.

Martin Luther King said, "In the end, we will remember not the words of our enemies, but the silence of our friends."

There are three people who influenced me and paved a smoother path:

- My grandmother who lived next door. She was my refuge from a turbulent home life. And my playmate.
- A favorite aunt who was so comfortable in her own skin. And very funny. She was my Velveteen Rabbit.
- A minister's wife who moved to town when I was about 12. She had an infectious laugh that could fill a room. With it she declared she knew she had a place in the world. If she could, why not I?

We here are so very fortunate in so many ways. We are surrounded by opportunity. And yet there are those who do not enjoy that same privilege due to circumstance, experience or perhaps have no one to show them there is hope.

There are those among us, young and old, who may feel discouraged or despairing.

The City, in partnership with the School District and through Project Safely Net, has and is continuing to support our youth.

There are also a number of meetings that have just been organized to give our youth a voice and to express themselves in the community. I encourage you to seek them out.

We always remember the likes of Martin Luther King because he and others changed laws and lives for the better.

Ordinary people can accomplish extraordinary things. King did not leave his mark solely as an individual. It was with the actions of people such as Rosa Parks, an ordinary person who inspired and encouraged the larger movement for equality that King ultimately led.

Make a difference.

Say hello to strangers on the street

Carry someone's groceries for them

Tell those who have helped to

light your way,
pave your path,
open your heart,
how much that has meant to you.

Slide Kindness is contagious. Practice it.

Understanding is a byproduct of it. Equality comes from it.

How we address each other in the community, young or old, teen or senior or in between, I think has a lot to do with how we move forward as a community.

This year watch for these and more events.

Make a Difference Day is celebrated this year on October 24, 2015. It is celebrated each year on the fourth Saturday in October. Make a Difference Day is the largest national day of community service and is a celebration of neighbors helping neighbors. The event was created by USA WEEKEND magazine in 1992. We have not really been active in this day of service. I'm looking forward to working with Youth Community Services and Lief Ericson to make it a great FIRST day for Palo Alto.

Look forward also to an invigorated **May Fete Parade**. Older than Macy's Thanksgiving Day Parade, we are looking to re-energize the parade with an expanded route, increased participation and audience and some surprises. I hope you will join us and enjoy this year's May Fete Parade.

And something I know others before me have wanted to do and hopefully we can accomplish this year is creating an event to **Honor our Vets**. I'm sure none of us wish for any of our sons, daughters, fathers, brothers to go to war. Our firefighters already honor Blue Star Mothers, and we are looking to put together an event giving the community the opportunity to personally thank veterans for their service and sacrifice. And in some cases it has been great. I look forward to working with Chief Nickel on such a program.

In talking with the City Manager, we will be **re-engaging and expanding meetings with neighboring communities** to engage in regional issues such as emergency preparation, traffic and housing issues including State Density Bonus laws, to identify common needs and mutual interests for putting into place some potential partnerships. And based on some earlier conversations, I think there is good promise.

As we go forward, again supporting stewardship in our community, this year we will be looking for new ways to retain our 100+ year-old **Animal Services** in Palo Alto.

On Sunday, March 22 going along with the Council's Healthy Cities, Healthy Communities priority there will be an event launched from City Hall Plaza: **Heart Across America. Sean Maloney**, whom some of you may know as a Silicon Valley executive who was victim of a stroke in 2009, has recovered to such an extent that he is leading a cross-country ride from Palo Alto to New York City. The ride is to raise awareness of stroke and heart attack prevention. I encourage you to come as there will be numerous health booths with information and services.

The Council recently passed two motions: one to consider a minimum wage and another to sign a resolution asking CALPERS, the entity that manages the City's retirement funds, to divest its holdings in fossil fuel companies.

As you can see the Council has already been very busy.

If you subscribe to the notion that there is nothing new under the sun, that there is nothing truly novel, then every new idea has some sort of precedent or echo from the past, linking the Steward and Entrepreneur.

Seldom do we have second chances to get it right.

This compels us to do our best and to encourage the same in others.

To see that Palo Alto continues to be:

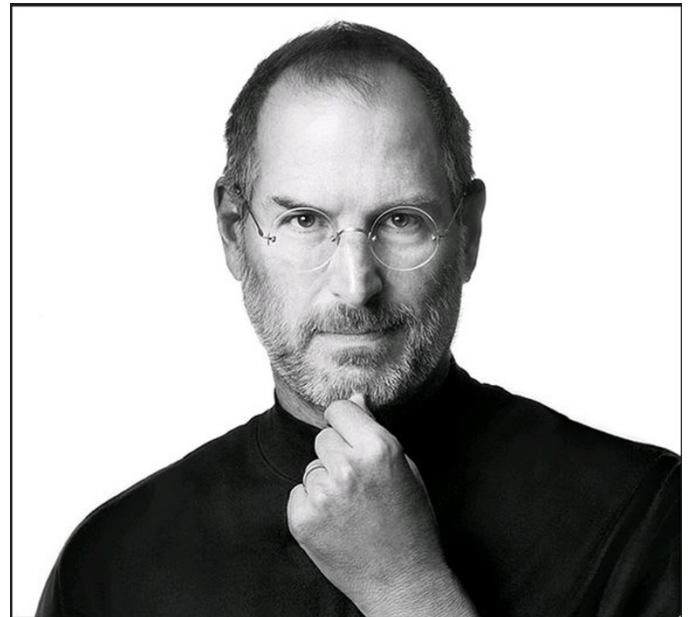
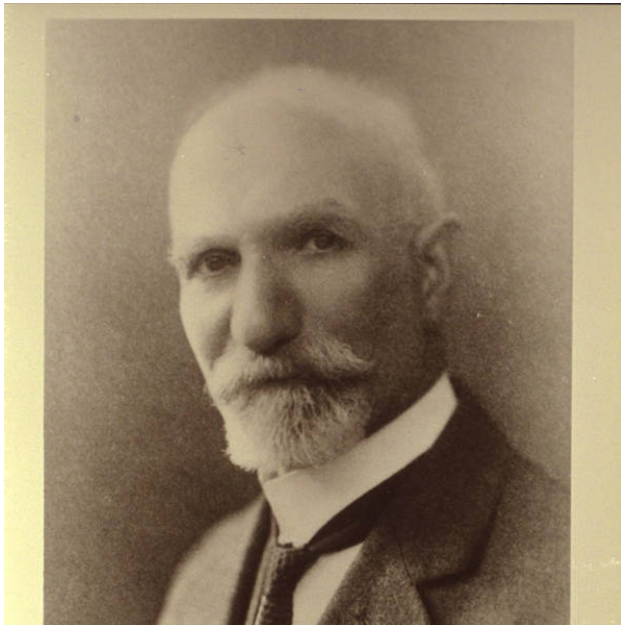
- The kind of town that you want to live in
- The kind of town that reflects your values
- The kind of town that makes you proud
- That observes your right to be heard and to be considered
- That preserves our open spaces and addresses traffic and housing
- That supports diversity of both businesses and residents

- Cares about and for those who are not as well off as the image of Palo Alto portrays
- That assures that the Palo Alto that is so highly regarded is not just a veneer
- Our values determine how we spend our dollars and not the other way around
- That we are proud but not prideful.

This point in time, as all, is about the future of Palo Alto which relies on our past. This is where the Steward and Entrepreneur come together. We have an inheritance, an endowment. It is incumbent on us to care for and manage it.

Right now, this moment. This is where the two come together.

Whether CD Marx or Steve Jobs....



Visionary or pragmatist,
scientist or artist,
they are at home here.

We started this with a series of numbers. There are a couple more numbers I want to end with.

Slide 66,029

That is you. Palo Altans. Our residents.

Slide “What is the City but the People” Shakespeare

And the other is number is

Slide 13

which is the number of years I have been in appointed or elected office and how many years it has been my pleasure to serve the **66,029**. It also happens to be the number of women mayors Palo Alto has had, me being only the 13th.

Your voice still matters, just as it did last November. Use it this year to make this a very special year, when we can reconnect with each other and reestablish our connection as both Steward and Entrepreneur.

This is a community that breaks for squirrels and where demonstrations wait for the light to change before crossing the street. A place I am proud to make my home.

To you, my fellow Palo Altans, whether resident or business, you have and continue to inspire me with your love of this community.

I am honored by and thank you for this opportunity.

Thank you.