



MAYOR BOB FILNER
STATE OF THE CITY ADDRESS

JANUARY 15, 2013
BALBOA THEATRE
868 FOURTH AVENUE, SAN DIEGO, CA 92101

Good evening, ladies and gentlemen.

Buenos Noches a todos.

I'd like to welcome everyone this evening and thank you for being here.

Especialmente quiero dar la bienvenida a nuestros invitados de México.

It is an honor to have you here.

San Diego's Charter mandates that in January of each year the mayor report to the public on the state of our City.

I have served in this office for just six weeks, so at best, my observations tonight are very preliminary. But they are informed by over three decades representing San Diegans here and in Washington, D.C., and by intensive work by my staff over the last six weeks to reconcile previous financial projections with current fiscal realities.

As a result of our reviews, some of the seemingly good news about City finances released earlier this year has been tempered by the reality of major obligations that have not been fully addressed.

Tonight, the state of our City can be compared to a patient who has faced a life-threatening disease, who has survived painful treatments and a lengthy recovery, who is now cautiously optimistic that the disease is behind them, but fully aware that changing circumstances, at any time, can lead to a relapse.

For many years, City leaders failed to take care of our fiscal health. They covered up budget shortfalls by deferring maintenance on streets, water and sewer lines, sidewalks and other municipal facilities. They made commitments to City employees, but failed to allocate funds to pay for those commitments. They thought it was okay to cover up financial problems, hoping the day of reckoning could be pushed off until after they left office. It wasn't until the intervention of outside agencies that the impacts of those unhealthy practices finally came to light.

Back in 2005, with the City's credit rating and access to capital markets suspended, under investigation by the Securities and Exchange Commission for securities fraud, and branded Enron-by-the-Sea by The New York Times, some called for our City to declare bankruptcy – the municipal equivalent of a fiscal death sentence.

Thankfully, our City resisted the temptation to throw in the towel, and instead, submitted to radical surgery – tough new fiscal controls, severe cuts in municipal services, and establishment of a new form of government – the strong mayor-strong council system – which created new checks and balances and increased accountability.

In that context, I want to take a moment to recognize the members of our City Council,

my partners in our strong mayor-strong council form of government. You and your immediate predecessors deserve much credit for addressing our fiscal challenges head-on. I look forward to working with you in pursuit of the public's interest. And I want to say thank you for all of your service.

Council Member Lightner, I congratulate you on your appointment as Council President ProTem and look forward to working with you on a number of issues, including our long-term water needs.

Council Member Faulconer, I'm impressed by your commitment to the preservation of our sportfishing and other industries and your efforts to ensure that city government operates effectively and efficiently. Working together, we will make sure that taxpayer money is put to good use.

Council President Gloria, Congratulations on your new leadership role. You're always at your best when you champion the neighborhoods and the homeless issue. I look forward to working with you.

Despite his recent departure, and I know he is in the audience, I want to congratulate Tony Young on his new job and for his time as Council President, leading the council through some pretty difficult times. And I look forward to working soon with the people's choice to further improve City services and quality of life in District Four.

Council Member Kersey, I look forward to working with you on the real nuts and bolts of City infrastructure. And I share with you, your interest in building a stronger relationship with our neighbor to the south, Mexico.

Council Member Zapf, I appreciate your commitment to regional planning, smart growth and transit issues and look forward to supporting you in those efforts.

Council Member Sherman, you are the voice for small business owners, bringing their concerns to City Hall. Their voices need to be heard as we rebuild a strong fiscal government.

Council Member Alvarez, you are a calm and steady influence on the Council. I have a special kinship with you and your constituents, as we have both served as representatives of District 8, one of the most diverse districts in our City.

Last, but actually a first, Council Member Emerald represents our new District 9. Marti, I appreciate the passion you bring to the job. You are a troubleshooter, pushing to improve the neighborhoods you represent and for the City as a whole every day.

Thanks to each of you for your service to our City.

Thanks are also due to those who help our City without being at City Hall every day. They are the community leaders, volunteers and all-around do-gooders who have a passion for making a difference. They are the Living Legends in our community. And tonight, in the first of many recognition events I plan to hold during my administration, I am going to introduce some of them to you and present to them, the Mayor's Living Legend award which states:

"An award presented annually by the Mayor of San Diego to men and women who have made a difference in the life of our city, state, nation, and world – whether in the arts, business, science, medicine, athletics, or in matters of faith."

As I call your name, please come on stage to accept your award and then stay until all of the awards are presented.

Father Joe Carroll – No priest since Father Junipero Serra has made a greater contribution to our lives and to the lives of those in need than Father Joe. He has built a lasting legacy in Father

Joe's Villages, which provides housing and programs for those in need all under one roof. The consummate fund-raiser, Father Joe believes the homeless are our neighbors not strangers. He is a living legend.

Gloria Johnson -- For four decades, activist Gloria Johnson has been promoting the rights of women and the Lesbian, Gay, Bisexual and Transgender community while working diligently in the Democratic Party. A social worker for San Diego County for many years, Gloria Johnson's work is to be celebrated. She is a living legend.

Ernest and Evelyn Rady – It is hard to adequately express our gratitude to the Radys. Using the success of the family business, American Assets, Inc., the couple dedicates most of their time to charitable work. They are contributors to many health care organizations in San Diego, including the renowned Salk Institute for Biological Sciences, and of course Rady's Children Hospital. They are living legends.

Jerry Coleman, and his wife Maggie – “Oh Doctor, you can hang a star on that one.” That's what Jerry Coleman would exclaim when ordinary ball players did extraordinary things. And he waved his famous gold star from the announcer's box, as fans cheered. Jerry's career spanned 70 years in baseball, 40 of them as the voice of the Padres, with his wife Maggie always at his side. A war hero, he exhibited extraordinary patriotism by leaving his MVP status on the New York Yankees for Korea. And his insightful “Colemanisms” rival those of Yogi Berra and Casey Stengel. Jerry and Maggie are living legends. (UPDATE – THE COLEMAN'S COULD NOT ATTEND)

Tony and Alicia Gwynn – The couple founded the Tony and Alicia Gwynn Foundation, a philanthropic organization for disadvantaged youth, which has done great work in our community. Known as Mr. Padre, Tony, of course, is a Hall-of-Famer who hit the sweet spot for this city both on and off the field and gave Jerry Coleman many opportunities to “hang a star on that one.” A San Diego State University Alumni and Aztec Baseball Coach, Tony and his wife Alicia give back to their community every day. They are living legends.

Leon and Margaret Williams – Dapper in fedoras, Leon Williams spent 37 years in political office and he stands out as a first: he was San Diego’s first African American city councilman, and the County’s only African American supervisor, where he fought for the men and women who rarely had a voice at the table. His issues were your issues: transit, neighborhood nuisances, health care and being kind to others. He is model for all of us who believe that the Noblest Motive is the Public Good. They are living legends.

Lucy Killea – The former California senator, assembly member, and San Diego City Council member, has never been hesitant to speak her mind over the last four decades, in a quiet and unassuming way. Prohibited from partaking in the communion ritual of Catholic mass after she spoke about her pro-choice belief, Ms. Killea didn’t change her stance. The truest example of dignity and bravery in action, she is a living legend.

Eileen Haag and Ira Lechner:

Eileen Haag – Following two decades in publishing, Ellen Haag is chair of the San Diego Women’s foundation, which is a philanthropic group of about 200 members. Following the wildfires in 2007, Ms. Haag formed the Rancho Bernardo United Coalition to help Rancho Bernardo recover after 300 homes were destroyed. She was inducted into the Rancho Bernardo Hall of fame.

Ira Lechner, Eileen’s husband, is a San Diego lawyer with a long history in Democratic politics and labor relations since the 1960s. He is Chairman of the Council for a Livable World and is the Chair of their family foundation “Project High Hopes,” which focuses on sustainable projects in South America. Ira and Eileen are living legends.

Jess and Jane Haro – Jess and Jane Haro are activists in the Latino community. Jess and Jane work to increase the participation of Latinos in all aspects of our community. Jess serves on the board of the Urban Corps of San Diego and as co-chair of the Jack Walsh Scholarship Fund of Casa Familiar. His roots are in public service, having once served as a San Diego City Council member, as the first Latino member. They are living legends.

Thank you all for making a difference. All of us in San Diego are the beneficiaries of your decency, kindness and willingness to share your intellect and material resources with our community.

Thank you.

Returning once again to the metaphor of City government as a patient who has overcome a serious illness, our City has gained tremendous perspective and learned important lessons from that confrontation with our own mortality.

We've all paid a high price for the hubris of our predecessors. But we've also learned valuable lessons – about setting clear, achievable priorities, about telling our constituents the truth about our finances – even when it's painful – and about enlisting them in the search for solutions.

So, after just six weeks in this office, here is where I believe we are financially: Despite the many service cuts our residents have endured, we still face significant financial challenges. There are state funding issues still to be resolved and court cases adjudicated.

In fact, the budget surplus predicted by my predecessor last year could actually be a deficit of as much as \$40 million by the time I submit our budget to the City Council in April.

After years of austerity and sacrifice by residents and City workers alike, a recurring budget deficit is a big disappointment to all of us.

But if we learned anything from the mistakes of the past, it's that it is better to be truthful about these problems than it is to cover them up.

On the plus side, we have about \$34 million in one-time revenue from both SDG&E and the County of San Diego. This revenue will cushion some of the blow from new expenses, but it would be imprudent to spend these one-time revenues on recurring costs. That's why I've proposed a portion of it be used to upgrade our antiquated public safety communications system so our first-responders can get the information they need in a timely and secure fashion.

In regional emergencies, like the wildfires of 2003 and 2007, the public expects government officials to work together to protect their safety. To that end, as I discussed with Board of Supervisors Chairman Greg Cox, I will continue the practice initiated by my predecessor to work out of the County's Emergency Operations Center in collaboration with County officials. We don't need to work separately.

Another piece of the City's financial puzzle is our relationship with various City employee bargaining units. We are currently beginning negotiations with all bargaining units on what I hope will be 5-year agreements that I will present to the City Council in April.

My goal with these long-term agreements, which will stabilize the city's budget over the long-term, is to fulfill the promise I made during the campaign to deliver a 5-year freeze on pensionable pay for all City workers – a freeze that will reduce the City's unfunded pension obligation by nearly \$1 billion over 30 years and lower the required annual contribution to the pension fund by between \$25 and \$35 million annually for the next 15 years.

This will be a huge step forward in stabilizing City finances, to the benefit of taxpayers and to our loyal City employees. And we're going to accomplish this without scape-goating our employees or using strong-arm tactics. We will do it through good-faith collective bargaining and mutual respect.

Another area that has suffered as our city struggled to survive and overcome its financial illness, was the basic infrastructure of our neighborhoods, and again this comes down to priorities and accountability.

San Diegans rightly take pride in the character and diversity of the many neighborhoods that make up our great City. But the truth is, City government has done very little over the last several decades to protect and enhance the character of those very neighborhoods.

We've succeeded in revitalizing our downtown and making it a vibrant live-work-play environment that attracts both residents and tourists and generates tens of millions of dollars in tax revenues to support City services.

But we've failed to invest the same resources or imagination in making older urban neighborhoods as safe, attractive and healthy as they can be.

When I was sworn in, I said it was unacceptable for a city that calls itself "America's Finest" to tolerate neighborhoods without paved streets and street lights.

The public-private model of redevelopment pioneered downtown must be expanded to assist every San Diego neighborhood in realizing its potential and improving its residents' quality of life. That is why I will focus attention on Civic San Diego – which I propose to re-name "Neighborhood San Diego" – to take advantage of this successful model to benefit every neighborhood in our City.

And we need to support those efforts with transportation systems that enhance our quality of life – pedestrian-friendly designs like Bird Rock’s roundabouts, dedicated bike paths linking neighborhoods, and improved options, to meet the rapidly changing needs of our residents.

We must restore urban planning as an independent and leading voice for envisioning our communities’ future.

Land use and development review functions within City government will be reorganized into a Department of Healthy, Safe, and Livable Neighborhoods. This Department will focus on accelerating completion of our community plans; putting proper emphasis on transit-oriented development, walkability and bikeability; economic development; energy sustainability; affordable housing; and elevating our expectations for design excellence in new development.

And to examine funding options, our new Assistant Chief Operating Officer will lead a Neighborhood Infrastructure Financing Team with representatives from community groups, the construction industry, business, environmental and preservation groups.

My goal will be to present the Council specific proposals to by this Fall, and to begin implementation by next year.

This Department will also begin to consider how San Diego must also respond to emerging global issues. Rising sea levels demand that we plan now to protect vital coastal infrastructure and neighborhoods. We’re not going to save our beaches by putting our heads in the sand.

An urban forestry program is needed to not only beautify our communities, but to moderate the effects of rising temperatures on the region. We will swiftly complete a substantive Climate Mitigation and Adaptation Plan, to help mitigate the effects of our changing climate.

The full benefit of these plans cannot be achieved, however, unless we also bring certainty and efficiency to the regulatory process. This Department will be charged with reforming and streamlining permit processing, including a fixed and predictable time and fee schedule.

And I will urge other local agencies to focus their efforts in complementary ways. I will ask SANDAG to re-prioritize transit funds to fast-track alternative and public transportation options.

I will advocate at the Airport Authority for an airport that is designed around multimodal access and served by light rail and direct access from Interstate 5, rather than relying exclusively on automobile access from Harbor Drive.

The infrastructure being put in place by these two agencies must work seamlessly with our City's needs.

Another element of our infrastructure needs relates to water availability. Our economy, our quality of life and our very existence here, in what would otherwise be a desert, depend on a stable, affordable supply of water.

That supply is threatened by drought in the Colorado River basin, environmental constraints in the San Francisco Bay Delta, and political obstacles in our relationship with the giant Metropolitan Water District in Los Angeles.

Tomorrow, I will join major environmental groups, the Natural Resources Defense Council, the San Diego County Water Authority and other important water agencies statewide in calling upon the State to consider a new conceptual alternative for a long-term Bay Delta fix. This alternative promises to reduce the cost of importing water to San Diego, and instead will make billions of dollars of state funding available to support local water supply development in cities throughout California and right here in San Diego. And we will coordinate this with the efforts of Council Member Lightner and her water task force and build on that.

However, my focus this year will not just be on the bricks and mortar, asphalt and turf, water and sewers. It will also be about neighborhood empowerment.

My Director of Open Government, Donna Frye, is already making a difference changing the culture at City Hall.

She is working with me to bring to life our policies and best intentions to govern in an open and accountable manner. This includes finding better ways to provide information and notification about City services to the public, making sure that all members of the public have an opportunity to be heard, and building a culture of participation in all of our neighborhoods.

I'm also committed to aligning City Hall hours of operation with the real needs of residents and businesses. We are going to work with City employees to open City Hall one night a week for residents to conduct city business.

And as mayor, I'm going to be in the lobby of City Hall on the first Saturday of every month from 9:30 to noon, starting February 2, to meet with anyone who wants to stop by and talk. The Mayor, like everyone, should be open and accessible to the public.

The process of building trust in City government depends on ensuring all interests have a seat at the table.

I will be working with the City Council to ensure – in our appointments to boards and commissions, in our selection and promotion of senior managers and in our contracting for services – that all neighborhoods, all cultures, all interests – are a part of the process.

I will lead this effort not because it's politically correct, but because in a city as diverse and rapidly changing as San Diego, it's impossible to make the right decisions if segments of our community are excluded from the process.

The other major thrust of my administration this next year – in addition to neighborhood rebuilding and empowerment – will be job growth and economic development.

Our first focus will be the Port of San Diego, which will be an important engine for job growth during the next four years. San Diego is coming out of a recession and a top priority must be refilling the jobs that we lost across all sectors.

The working waterfront is key to a balanced regional economy, and the key to its future is the rail and road infrastructure that fit into a national freight system. Working with the federal government, the state Transportation Commission and the SANDAG, I pledge to push for badly-needed infrastructure that enhances freight movement from our border through our sea port and our air port.

The Port District is also key to the expansion of our tourism industry, including the expansion of our Convention Center. I am optimistic that we will break ground soon on the expansion of the Convention Center. The expanded Center will enable us to continue benefiting from the taxes and spending provided by the conventioners. During the campaign I promised to make the expansion a reality, and this next year I will fulfill that promise.

And that leads me to a second economic development priority – the International Border and our relationship with Mexico.

The opening of a Border Affairs office in Tijuana is just the first step in building a partnership to coordinate border infrastructure improvements and to market our bi-national region to

international investment. Today, we secured an office, which will open on February 1st, located at the Tijuana EDC/DEITAC offices at the Via Corporativo business center in the heart of Tijuana.

The destinies of San Diego and the Cities of Baja California are intertwined; and we intend through this office to work on urban policies for both sides of the border by sharing knowledge, resources and ideas, and developing more integrated regional vision on environmental sustainability and socio-economic prosperity for our bi-national mega-region.

We not only need to think of ourselves as a bi-national community. We need to market our community to international investors seeking the unique advantages of locating in a bi-national region.

I will enlist San Diego's Economic Development Corporation and Chamber of Commerce, along with their counterparts in Mexico, to join in re-formulating our economic development efforts to take full advantage of our unique opportunities the border region offers for international investment.

Another element of my plans for job growth is based on making San Diego the capital of an emerging "Aqua" economy; taking advantage of opportunities in both "green technology" and "blue" maritime industries. That combination is aqua.

Just last month, we saw an important step in building our "green" economy when the French solar company – Soitech – opened a major manufacturing facility in our City. C'est magnifique? Oui?

My administration will work to expand this market and realize savings for taxpayers with the most ambitious solar initiative by any local government in the U.S.

As I said during the campaign, we live in a climate where solar makes sense. I will soon mandate that all municipal buildings be equipped with solar power and urge all government agencies and businesses to do the same. Let's work on developing alternative energy and making San Diego America's sunniest solar city.

On another front, the end of redevelopment in California has complicated efforts to find a way to keep the Chargers in San Diego. Developing a plan that provides a net benefit for taxpayers will not be easy, but I commit to you tonight I will work to make sure that our Bolts don't Bolt!

In fact, I'm pleased to announce tonight that the Chargers have informed me they will not take advantage of their annual option to terminate their lease at the stadium this year. Equally important, they will not participate this year in the process established by the NFL that requires teams interested in re-location to Los Angeles to file an application with the league after the Super Bowl. They are not going to do that.

I look forward to building a relationship of trust and collaboration with the Chargers that ensures the team will stay right here in San Diego.

One of the most disturbing realities of living in the wealthiest state in the wealthiest nation in the world is the plight of thousands of homeless men, women and children in our community.

That irony is heightened by the fact that a significant fraction of our homeless are veterans who risked their lives fighting to defend us.

As a community, we have a moral obligation to do more to help people to help themselves.

And working with my top volunteer, Bronwyn Ingram, and Council President Gloria, we are going to do just that. We are going to deal with the homeless head-on.

I started this address by comparing our City to a patient – hopeful that the disease has been eradicated, chastened by confrontation with our mortality, informed by a clearer perspective on our priorities, hopeful for a better future.

And so I leave you with a more upbeat assessment.

Many cities across America are only now confronting the realities of past fiscal shortsightedness, while we in San Diego have already directly confronted these challenges and created a national model for overcoming them.

Many cities remain mired in a slumping housing market, while we in San Diego have experienced nine consecutive months of recovery in home values.

Many cities view the diversity of their populations as a challenge, while we in San Diego recognize growing diversity as one of our greatest strengths, and consider each neighborhood as a unique contributor to our community's fabric.

Many cities are struggling to find new paths to revive stagnant local economies, while we in San Diego enjoy a profusion of new companies, new investments and new ideas that can drive our prosperity well into the next century.

Many cities view the international border as a distant, abstract barrier, while we in San Diego embrace the border as a unique regional asset.

We have an opportunity in San Diego to create a truly great international city; a city that respects and empowers its people; a city that protects and enhances their quality of life; and a city that promotes good-paying jobs and a healthy economy for all residents.

Over the next year, I invite you to join me in working to make that city a reality.

Thank you so much. Let's all get to work!

###